

**TRANSLATION OF THE RESOLUTIONS OF THE 85<sup>th</sup> SESSION OF THE  
NATIONAL ASSEMBLY OF BHUTAN**

**(JUNE 15-JULY 7, 2006)**

**I. INAUGURAL CEREMONY**

The 85<sup>th</sup> Session of the National Assembly of Bhutan began on the auspicious 20<sup>th</sup> day of the 4<sup>th</sup> month of the Fire Male Dog Year corresponding to 16<sup>th</sup> June 2006. His Majesty the King was escorted to the National Assembly Hall with the *Chipdrel* and *Serdang* ceremony. The Session commenced with offering of traditional *Zhugdrel Phuensum Tshogpa*.

In his opening address, the Speaker welcomed His Majesty the King, Members of the Royal Family, Members of the National Assembly, senior government officials, foreign dignitaries and members of international agencies to the opening ceremony. The Speaker, on behalf of the National Assembly also extended *Tashi Delek* to the newly elected and re-elected *Chimis*.

The Speaker said that under the wise and far sighted leadership of His Majesty the King, the Draft Constitution of Bhutan was formulated. On behalf of the National Assembly, the Speaker

expressed his deep gratitude to His Majesty the King and His Royal Highness the Trongsa Penlop for conducting consultations with the people of all the twenty Dzongkhags which has enabled the people to clearly understand the provisions of the Draft Constitution.

The Speaker expressed his fervent hope that the members would engage in substantive debates and arrive at fruitful resolutions for the benefit of the *Tsa-Wa-Sum* and also hoped for the successful conclusion of the 85<sup>th</sup> Session of the National Assembly. *(A copy of the inaugural speech is annexed)*

**II. REPORT BY THE PRIME MINISTER ON THE PERFORMANCE OF  
THE GOVERNMENT IN THE PAST YEAR**

The Prime Minister presented the report on the past performance of the government in the fiscal year 2005-2006. A 96 page booklet containing the detailed report was also distributed to the members.

### **Section One- Significant Events**

The Prime Minister in his presentation of the report on the performance of the government in the past year informed the Assembly that during the 98<sup>th</sup> National Day celebration in Trashiyangtse, His Majesty the King had announced that His Royal Highness the Trongsa Penlop Jigme Khesar Namgyel Wangchuk would be enthroned as the fifth Druk Gyalpo in 2008. This announcement has come as a big shock to the whole nation including His Royal Highness the Trongsa Penlop. While all the Bhutanese people have always cherished the vision of His Royal Highness succeeding His Majesty the King, it was unbelievable for the people to imagine His Majesty the King stepping down so early.

The Prime Minister said that the Constitution was drafted with the sole objective of ensuring the sovereignty and security of the Kingdom and the well-being of the Bhutanese people for all times to come. His Majesty the King had commenced the consultation meetings with the people of Thimphu Dzongkhag on the Draft Constitution in October 2005. His Royal Highness the Trongsa Penlop had also embarked on presiding over the public consultation on the Draft Constitution starting with the Dzongkhag of Kurtoe on December 24, 2005 and formally concluded the consultation meeting with the people of Trongsa Dzongkhag on May 24, 2006.

The Prime Minister said that His Majesty the King paid a working visit to India from August 1-4, 2005 and held talks on bilateral relations and other issues of mutual interest with the leaders of the Government of India. The close political rapport that exists between the two countries has further strengthened the Bhutan-India relations. His Royal Highness the Trongsa Penlop Jigme Khesar Namgyel Wangchuk received an Honorary Degree of Doctor of Laws from the University of New Brunswick Fredericton in Canada and also successfully completed the prestigious defence course from the National Defence College in India.

Furthermore, considering the future of the country and departing from the monarchical traditions of the world, His Majesty the King has given power to the

people. There has never been a leader like His Majesty the King in our history and a greater King may never be born again. His Majesty the King has also been listed among the 22 “Leaders and Revolutionaries” along with other 100 leaders in the world.

His Holiness the Je Khenpo also traveled all over the country administering *wang, lung* and *thri* to the Bhutanese people which has greatly reaffirmed and strengthened the spiritual faith of the people and helped to promote the Buddha *Dharma* in the country.

Adhering to the command of His Majesty the King to strengthen good governance in preparation for parliamentary democracy, a Good Governance Plus document containing 231 recommendations was formulated and the government was in the process of implementing the recommendations. In accordance with the resolution of the 84<sup>th</sup> Session, the Department of Planning was restructured as fully functional Planning Commission with the Prime Minister as its Chairperson. The six units of Tala Hydropower Project are expected to be commissioned by the end of September 2006, generating an average of 4865 million units of electricity a year. This would increase the revenue and would have immense benefits in the development of the country.

According to the report of the National Population and Housing Census, out of 634,982 people residing in the country, only 552,996 were Bhutanese citizens. This information would be useful in planning development activities for the people. The Prime Minister also informed that he attended the 13<sup>th</sup> SAARC Summit held in Dhaka and the focus of the summit was on Poverty alleviation and fight against terrorism. The 13<sup>th</sup> SAARC Summit endorsed the proposal to establish SAARC Forestry Center in Bhutan.

The Prime Minister informed that with the appointment of the Chief Election Commissioner of the Election Commission of Bhutan, Chairman of Anti-Corruption Commission and Auditor General of the Royal Audit Authority in December 2005, the three constitutional bodies became functional. Further, His Majesty the King appointed five *Drangpons* to the High Court in January 2006 to further strengthen the Judiciary to uphold and dispense justice expeditiously in a

fair manner without fear or favour in accordance with the Rule of Law, inspire trust and confidence in the justice system and enhance access to justice.

## **Section Two - Overview of Economic Performance**

The economy in the past four years from 2001-2004 has sustained, within an average the growth of over 7 percent with a growth of 7.5 percent in 2004. It is estimated that GDP growth in 2005 would have grown by 6.1%. With the commissioning of Tala Hydropower Project in 2006, the share of hydropower to GDP would increase from 10% to 17% and the economy would grow by 14.2% in real term. The rate of inflation has ranged between 4%- 5% during the last four years.

## **Section Three-Sectoral Performance**

The Prime Minister also highlighted the achievements made and the challenges faced by different sectors such as Education, Health, Agriculture, Works and Human Settlement, Trade Commerce and Industry, Finance, Labour and Human Resource, Information and Communication, Home and Cultural Affairs, Foreign Affairs, Environment, Judiciary, Legislative and Legal Affairs, Civil Service, Accounting Public Resources, Social Security and Sports.

## **Section Four- National Concerns and Challenges**

The Prime Minister reported that it was expected that by the end of the Tenth Five Year Plan in 2012, more than 63,000 youth will enter the labour market. Creation of employment for these youth in both urban and rural areas remained a major concern of the government. His Majesty the King and His Royal Highness the Trongsa Penlop has said that “it was the responsibility of every Bhutanese to act against corruption in the country”. Although the exact form and magnitude of corruption was not yet known, it was important to face the challenge. It was also identified that the youth involved in substance abuse and the cases of HIV/AIDS infected people were increasing in the country. Further, the government was concerned with the increased incidents of forest and agricultural land being taken over for infrastructure developments such as *Gup's* offices and the thousands of acres of forest destroyed by fire every year.

## **Section Five- National Plans and Priorities for the Coming Year.**

The Prime Minister informed the House that private sector development was the key factor for economic development, poverty alleviation and for providing employment opportunities. Poverty reduction would be the main goal of the Tenth Plan which would be based on the development philosophy of Gross National Happiness and its four pillars. Moreover, strengthening good governance and combating corruption in preparation for parliamentary democracy would remain a priority area. Hence, it was the responsibility of every citizen to cooperate and face this challenge. With the institution of parliamentary democracy, the government would have to educate, train and prepare the people on matters relating to election and take up massive infrastructure development such as building residences for the constitutional post holders.

### **Conclusion**

In conclusion, the Prime Minister submitted that the performance of the government was built on the strength of the preceding year and made its mark by the range of its priorities and the reach of its execution. The unprecedented and remarkable growth achieved by our country was attributable to the country's natural environment, the preservation of culture and heritage and progress made in modern science and technology.

Since a fresh sense of responsibility and understanding was required for parliamentary democracy to succeed, His Majesty the King had said, "We should not be deterred by the fact that democratic political systems have not been working in some countries. The principles and ideals of democracy were inherently good, and a democratic system was desirable for Bhutan. If the lessons of some democracies were not encouraging, it was not because the concept of democracy was flawed. It was because of mismanagement and corruption by those who practices it." In two years time, we would be face to face with a new political reality and the foundation that we lay today would determine the content and character of our nation for all times to come. The quality of mind and the integrity of actions that we bear today would shape the destiny of our beloved country.

The achievements of the past year would not have been possible without the guidance and the wise leadership of His Majesty the King, the support and cooperation of the private sector and all sections of the people. The Prime Minister, on behalf of the government expressed gratitude and appreciation to the people of the country, all the development partners and to the government and the people of the Republic of India. The Prime Minister hoped that the Guardian Deities of Pelden Drukpa would continue to shower the choicest blessings for the security and stability of the country, peace and happiness of the people and the long and healthy life of our beloved King.

Deliberating on the report, some of the members, the Councillors and the representative of Bhutan Chamber of Commerce and Industry raised their doubts and queries on the annual government report. The members inquired on the status of the Election Bill which was not submitted in the 85<sup>th</sup> Session although the introduction of parliamentary democracy was just around the corner. Concerns were also raised on the deteriorating quality of education at the primary level in the country. It was also pointed out that adequate efforts were not accorded to develop and implement Dzongkha. While it was imperative to carry out necessary reforms in the current school syllabus to enhance the quality of education in the country, there was also a need to assess the quality and the standard of the teachers.

The members pointed out that in order to reduce the burden on the government exchequer and considering the importance of private sector development, the 83<sup>rd</sup> and 84<sup>th</sup> Sessions of the National Assembly had resolved to withdraw both heavy and light government vehicles after assessing the requirement of different Ministries and Departments for such vehicles. The members said that the government has not submitted any report to the Assembly on this issue. It was suggested that a decision on the withdrawal of government vehicles should be taken in the present Session to solve this issue for all times. Further, the members submitted that the Immigration bill was very important for the country and sought clarification for not drafting such a bill although the Office of the Census Commissioner was already established and an Immigration Information system was in place.

Since the implementation of the First Five Year Plan in 1961 by His Late Majesty, the Plans have been implemented continuously without any break until the Ninth Five Year Plan when it was extended by one more year. The members sought clarification on the deferment of the Plan till 1<sup>st</sup> July 2008. Further, while the power tillers distributed to the farmers with the assistance from the Government of Japan has proved beneficial, the farmers faced problems in obtaining the spare parts. The Ministry of Agriculture should hold talks with the Government of Japan and make the spare parts available to the people. Some members pointed out that about 16 delegates had attended the Ninth Round Table meeting held in Geneva recently and suggested that appropriate number of members should attend such meetings in the future in order to reduce government expenditure.

In response, the Minister for Education submitted that the quality of education was difficult to maintain due to the increasing number of schools that had to be established to provide basic education to all as per the education policy. This problem has long been recognized by the government and the issue was still being discussed by the council of ministers. The council of ministers had directed all those concerned including school administrators and teachers to improve the quality of education by reviewing the syllabus and providing wholesome education to the youth. Likewise, to foster Dzongkha language, Environmental Science and History lessons were taught in Dzongkha which has contributed to the development of language to a large extent.

The Finance Minister informed the House that in accordance with the past resolutions of the Assembly, the government has withdrawn all heavy government vehicles. With respect to the medium and light pool vehicles, the Finance Minister said that since the government anticipated numerous administrative problems, these vehicles were not withdrawn immediately. The government was also adhering to the decision to restrict procurement of new vehicles while providing vehicles only to those organisations that were in actual need of pool vehicles. Similarly, the council of ministers constituted a committee after written complaints were received from the Dzongkhags on the difficulties faced by them due to the withdrawal of vehicles. The issue of pool vehicle was being reviewed currently and a report would be submitted in the next Session of the National Assembly. With regard to the allotment of pool vehicles to the Dzongkhag

Yargay Tshogdu Chairman, the Finance Minister said that the government would address this issue after proper study and ascertaining the financial implications.

The Finance Minister also agreed that he had led a 16-member delegation to the recent Ninth Round Table Meeting. The Minister said that the members who attended the meeting were responsible officers who were directly related to the meeting. The Minister also clarified that the meeting was funded entirely by the United Nations and that there was no financial implication to the Royal Government.

Similarly, the Health Minister submitted that with the withdrawal of both heavy and light government vehicles in accordance with the National Assembly Resolution, the Health Ministry was facing severe difficulties in distributing essential drugs and medicines within the country on time. The situation further aggravated due to non-availability of private transport service. The Minister submitted that it was imperative for the National Assembly to decide on the issue of withdrawal of government vehicles in the current Session without deferment to the next Session.

The Home Minister informed the House that a draft Immigration Bill was ready but required further refinement. Therefore, the Bill would be submitted in the 86<sup>th</sup> Session of the National Assembly for enactment. The Prime Minister also explained that there was a suspension period between the Ninth and the Tenth plan period because His Majesty the King had commanded that the Tenth Plan should be passed by the new government. Accordingly, the Ninth Plan was delayed as it would be convenient for the new government to implement and make any changes in the plan and policies. In addition, 240 power tillers and spare parts have been distributed in all the 20 Dzongkhags and pledged that the Ministry of Agriculture would continue to serve the people in every possible way.

Concluding the deliberation on the annual report on the performance of the government by the Prime Minister the National Assembly resolved that:

1. As submitted by the Prime Minister, the draft Election Bill would be submitted in the 86<sup>th</sup> Session of the National Assembly for enactment after incorporating necessary changes and refinement.

2. The National Assembly noted the deliberation on improving the quality of education by the council of ministers. The government should continue to make every effort to improve the quality of education and the Ministry of Education should submit a report on this issue in the 86<sup>th</sup> Session of the National Assembly.
3. Although it was decided that the committee on the withdrawal of government vehicles should submit a report in the 86<sup>th</sup> Session, in view of the submission of the Health Minister on the problems encountered by the Health Ministry in transporting essential drugs and medicines on time, different ministries headed by the Finance Minister should review the existing pool vehicle rules and submit a report to the Assembly before the conclusion of the 85<sup>th</sup> Session.
4. As submitted by the Minister for Home and Cultural Affairs, the Immigration Bill should be submitted in the 86<sup>th</sup> Session of the National Assembly.

The National Assembly noted that the performance of the government in the past year has been commendable due to the close coordination between the Lhengay Zhungtshog and the Ministers to realise the objectives of the government. This was also possible due to the effective performance by the people and the government as per the decentralisation policy initiated by His Majesty the King. The National Assembly commended the Lhengye Zhungtshog and the council of ministers on the achievement of the government in the past one year.

The deliberation on the annual report of the government in the past year concluded on June 6, 2006.

### **III. PRESENTATION OF THE NATIONAL BUDGET FOR THE FINANCIAL YEAR 2006-2007 AND THE REPORT ON THE 2005-2006 BUDGET BY THE FINANCE MINISTER**

A 45-page booklet on the National Budget for the Financial Year 2006-2007 and the report on the 2005-2006 budget was distributed to the National Assembly Members prior to its presentation by the Finance Minister.

In his presentation, the Finance Minister said that the new financial year budget was prepared against the backdrop of the impending introduction of the new system of governance under the wise and farsighted leadership of His Majesty the King and the beginning of the Tenth Five Year Plan. The Finance Minister said that Bhutan has experienced an average Gross Domestic Product (GDP) growth of over 7% in the first three years of the Ninth Five Year Plan. GDP was indicated to have 6.1% growth by the end of 2005 and annual inflation increased slightly from 3.9% in the last quarter of the previous year to 4.9% at the end of December 2005.

As regard the exchange rate, the ngultrum depreciated by 3.6% against the US dollar between December 2004 and December 2005. The 2005 Population and Housing Census showed unemployment to be 3.1% in 2005 which was still low by international standard.

The Finance Minister said that the total budget outlay for the financial year 2005-2006 was estimated at Nu.16,151 million or an increase of around 9.9% over the original estimates. Capital expenditure budget was estimated to be higher by around 15 % and was attributed to the incorporation of external grants based on the absorptive capacity and implementation of the projects ahead of the earlier anticipated time schedule. Others were attributable to restoration works on monsoon-damaged roads, establishment of new offices and a Dungkhag. Current expenditure budget was estimated to be higher by around 4.5% and the increase was on account of the expenditure on Draft Constitution meetings, establishment costs of new constitutional offices, preparation for Position Classification System of the Civil Service and formulation of Good Governance Plus report. Domestic revenue has been revised downwards by 8% from the original estimates of Nu. 7388.219m and this was mainly on account of the delay in receipt of excise duty refund from the Government of India.

The overall balance was expected to be a deficit of 6.6% of the estimated GDP. The increase in deficit was mainly due to the repayment of the internal debts, increase in expenditures and decrease in domestic revenue. The Finance Minister said that this position was likely to improve substantially to around 4.9% towards the end of the financial year with the receipt of more grants which would help to maintain the deficit below 5% in line with the Ministry's projected fiscal path.

On the budget estimates for financial year 2006-2007, the total expenditure was estimated at Nu.17,902m which was around 11% higher than the revised outlay of the financial year 2005-2006 budget. This was due to many budgeted capital works to achieve the goals and objectives with the Ninth Plan nearing its end. The current expenditure budget had been estimated at Nu.7,962m, which was 10.6% increase over the previous year's revised estimates. The capital expenditure was projected at Nu.9,814m, an increase of around 10% from the previous year's revised estimates. Comparing the outlay against the revenue and grants, a fiscal deficit of around 3% of estimated GDP was projected which was reasonable given the policy on fiscal deficit of the Royal Government.

While presenting the sector-wise budget allocation, the Finance Minister said that budget for Social Sector accounted for 30% of the total budget. The total allocation for Health Sector in the new financial year was Nu.2,280.254m and the Nu.3,354.597m for Education Sector. The budget for Economic and Public Sector was for 38% of the total budget, of which the Agriculture Sector was allocated Nu. 2,355.422m and Nu. 681.451m for the Mining and Manufacturing Industries. The total budget allocation for Roads was Nu.1,409.100m and Nu.973.492m for Housing and Communities Amenities Sector, Nu.799.686m for the Communications Sector and Nu.1.026.355m for the Energy Sector. The Cultural Services Sector and the General Public Services had been allocated 3% and 21% of the total budget respectively. The Public Debt Services has been allocated 8% from the total budget for Sector Allocations.

The Finance Minister said that on the resource side, domestic revenue was estimated at Nu.10,122m or an increase of around 37% from the original estimates of the Fiscal Year 2005-2006. Over the revised 2005-2006 budget, external grant utilization was expected to increase by about 12% covering at least 67% of the total outlay.

With the extension of Ninth Plan by one year, efforts would be made to complete all plan activities successfully in order to achieve the goals of the Plan. The Tenth Plan would be meticulously prepared and firmly implemented. While the country has experienced phenomenal achievements under the far-sighted leadership of His Majesty the King, Bhutan has entered the 21<sup>st</sup> century on an equal footing with

many other nations within a short span of time and was poised to embark on an even greater journey of economic progress and political development.

During the deliberation, on this issue, members expressed their appreciation on the successful implementation of the developmental activities in the past. While expressing their gratitude for the presentation on 2006-2007 budget outlay, they said that the estimated budget would contribute to the successful implementation of the socio-economic development without any impediment.

One of the Royal Advisory Councillors said that Chapter III, Section 7 of the National Assembly Committees Act of the Kingdom of Bhutan, 2004 stated that “The National Assembly may establish such other standing committees as and when it finds necessary by issuing standing order or by passing a resolution as the case may be.” The councillor submitted for the establishment of a Budget Committee during the 85<sup>th</sup> Session.

The National Assembly pointed out that it was not viable to establish a budget committee at this stage because the National Assembly lacked expertise in financial matters unlike in other countries. Further, the establishment of budget committee was not necessary before the institution of parliamentary system of government in the country.

The National Assembly commended the *Lhengye Zhungtshog*, who according to the aspiration of His Majesty the King had properly utilised the government fund and made substantial achievement in all developmental plans. The National Assembly expressed appreciation and satisfaction on the increase in foreign reserve as compared to the previous year. The National Assembly reiterated the importance of aid coordination and policy dialogue between the Royal Government and its development partners for the socio-economic development of the country. On behalf of the Bhutanese people, the National Assembly expressed appreciation and gratitude to the Government of India, donor countries and other international agencies for their continued assistance in the socio-economic development of the country.

The deliberation on the review of the 2006-2007 Budget and the Budget for the fiscal year 2005-2006 concluded on June 19, 2006.

#### IV. REPORT BY THE ROYAL ADVISORY COUNCIL

The Zhung Kalyon presented a brief report consisting of 16 points on the implementation status of the resolutions of the 84<sup>th</sup> Session by the central ministries and agencies. A copy of the eight page report was also distributed to the members.

During the deliberation on the report, the members submitted that the delimitation of electoral constituencies of the Geog and Dzongkhag boundaries as per the Constitution should be finalised in consultation with the people. In addition, they submitted for an increase in the number of timber granted for repair and maintenance of rural houses. The members also appealed that *Zhabtog Lemi* contribution be abolished considering the welfare of the poor people and made a submission to fix the rate of interest on rural credit at par with the rates of other financial institutions.

Regarding the issue of merger of geogs in the Dzongkhag, some members said that the decision of the government on the demarcation of Geog and Dzongkhag boundaries would be acceptable to them for the time being. However, some other members submitted that they should be permitted to discuss this issue in the Geog Yargay Tshogchung as per the Geog Yargay Tshogchung Chathrim and submit a report to the Ministry of Home and Cultural Affairs before October 2006.

Since Dzongkha, the national language served as a unique Bhutanese identity, it was imperative to be used extensively and implemented rigorously. Although, His Majesty the King has issued numerous *Kashos*, the ministries, departments and agencies have been widely using the English language which was detrimental to the promotion of our national language.

The members submitted that the interest rate on Small Individual Loans (SIL) within loan amount of 5000-100,000 be reduced to 10% in order to improve the standard of living of the people dependent on agriculture. If this could not be considered, interest rate may be set at par with the rates fixed by the Board.

The Minister for Home and Cultural Affairs said that talks have been held since 1985 to solve the problem of Geog and Dzongkhag boundaries. However, decisions have been delayed because of historical, cultural and social reasons. Realizing the importance of delimiting the electoral constituencies before the

institution of parliamentary democracy in the country, the government has decided that the merger of geogs and demarcation of boundaries would be finalized by 2006. A copy of the finalised demarcation report was also distributed to the members of the Assembly.

The Prime Minister explained on the delay in taking decision on the issue of geogs and Dzongkhag boundaries. He informed the House that the finalised demarcation was submitted to His Majesty the King through the Lhengye Zhungtshog and sought the concurrence of the Assembly on the finalised demarcation in view of the time constraint faced by the government to provide necessary training on election related issues.

The Finance Minister said that in accordance with the submission made by the people to reduce the interest rate on rural credit from 13% to 10 % in the 82<sup>nd</sup> Session, Bhutan Development Finance Corporation (BDFC) had reduced the interest rate on Group Guarantee Lending Scheme (GGLS) from 13% to 10% with effect from August 1, 2004. Similarly, as requested by the people to reduce the interest rate on Small Individual Loans (SIL) and Commercial Agricultural Loans (CAL) to 10 %, the Ministry of Finance in consultation with other financial institutions studied the implication of reducing the interest rate and concluded that the reduction in interest rate on all rural credits would lead to huge losses to the corporation every year. Therefore, it would be reasonable to reduce the present interest rate of 14% and 15 % to 12% and 13% respectively. The Finance Minister said that since he was not in a position to comment on the possibility of reducing the interest rate to 10 % on rural credit on the sum of Nu 5000 to Nu. 50,000, he would submit a report to the Assembly before the Session concluded. The members were informed that substantial profit was made by a private sector cooperatives formed by the Ministry of Agriculture after availing loans. Therefore, instead of relying on financial institutions, different cooperatives should be formed as per the Cooperatives Act in the future to mitigate the problem faced by the people.

During the deliberation on point four of the Zhung Kalyon's report, the Ministry of Works and Human Settlement distributed a copy of the report on improving the quality of construction. While the members submitted that the process of awarding contract works was not fair, the Speaker reminded that the Assembly need not deliberate on the issue since it could be solved in close consultation

between the representatives of the Ministry of Works and Human Settlement, the Contractors Association of Bhutan and Bhutan Chamber of Commerce and Industry.

After deliberating on the implementation status of the resolutions of the 84<sup>th</sup> Session, the National Assembly resolved on the five issues as follows:

1. The National Assembly endorsed the final demarcation of electoral constituencies which was submitted and approved by His Majesty the King.
2. Regarding the allotment of timber for repair and maintenance of rural houses, the Ministry of Agriculture was directed to study the possibility of providing additional timber in all the twenty Dzongkhags and to submit a report in the 86<sup>th</sup> Session of the Assembly.
3. The National Assembly resolved that the system of *Zhabtog Lemi* would continue till the end of the Ninth Plan period and the Ministry of Home and Cultural Affairs should review the policy of *Zhabtog Lemi* for the Tenth Plan taking into consideration the welfare of the people and submit a report in the 86<sup>th</sup> Session of the Assembly.
4. The National Assembly also resolved that the interest rate on rural credit as submitted by the Finance Minister would be reduced from 14 % and 15% to 12 % and 13 % respectively. The Finance Minister was also directed to discuss with other financial institutions on the feasibility of reducing the interest rate of small individual loan to 10 % and report to the Assembly before the Session concluded.
5. Different ministries, departments and agencies should respect the *Kasho* issued by His Majesty the King on the promotion of Dzongkha language and implement the decisions of the 84<sup>th</sup> Session of the Assembly on this issue without relaxation.

As submitted by the Prime Minister, new avenues should be explored and cooperatives formed wherever possible with assistance from donor countries since such ventures would greatly benefit the people.

The deliberation on the implementation status report of the resolutions of the 84<sup>th</sup> Session concluded on June 20, 2006.

**V. REPORT BY THE DEPUTY MINISTER OF NATIONAL ENVIRONMENT COMMISSION REGARDING THE APPOINTMENT OF ENVIRONMENT OFFICERS IN DZONGKHAGS**

The Deputy Minister for National Environmental Commission submitted a report on the appointment of Environment Officers in the Dzongkhags. He said that in accordance with the Resolution of the 83<sup>rd</sup> Session of the National Assembly, the National Environment Commission in consultation with the Royal Civil Service Commission had decided to appoint Environment Officers in the Dzongkhags. The matter was also submitted and discussed at the Lhengye Zhungtshog through the Cabinet. Since the appointment of Environment Officers in the Dzongkhags would entail huge financial burden to the government, the Lhengye Zhungtshog, in line with the policy of the government to maintain a small, compact and efficient civil service had decided not to appoint Environment Officers and agreed to give additional responsibilities of the Environment Officers to the forest officers posted in the Dzongkhags.

In accordance with the decision of the Lhengye Zhungtshog, the National Environment Commission after providing the necessary technical assistance, appointed and entrusted the responsibilities of the Environment Officers to the twelve Divisional Forest Officers (DFOs) and three Park Managers. The Assembly was also informed that the above officers had been carrying out the responsibilities efficiently till date. Furthermore, the Deputy Minister said that although it might not be the most ideal arrangement, in view of both human and financial resource constraints, this arrangement would be the most appropriate for the time being. Therefore, the Deputy Minister submitted that this arrangement should be endorsed by the National Assembly. The National Environment Commission would organize intensive training and courses for the DFOs and Park Managers so that they were able to efficiently carry out the functions and responsibilities of Dzongkhag Environment Officers.

Deliberating on the issue, some of the members submitted that it was the collective responsibility of every Bhutanese to protect and conserve the environment. At the same time, the members expressed doubts as to whether the forest officers in the Dzongkhags would be competent enough to shoulder the responsibilities of the Environment Officers as they do not possess the required qualification to take on the responsibilities of the Environment Officers. Therefore, the members submitted that the Assembly should resolve to appoint Environmental Officers in accordance with the Resolution of the 83<sup>rd</sup> Session of the National Assembly.

Responding to the deliberations, the Prime Minister appreciated the concern and the support of the members in the protection of the environment. The Prime Minister said that the decision of the government not to appoint Environment Officers was made keeping in mind the financial constraints and the policy of the government to maintain a small, compact and efficient civil service. But since some of the members expressed concerns that difficulties and inconveniences may arise out of this decision of the government and time and again appealed for the appointment of Environment Officers, the government would abide by the decision of the Assembly.

The National Assembly resolved that in accordance with the Resolution of the 83<sup>rd</sup> Session of the National Assembly, Environment Officers should be appointed in the Dzongkhags.

The deliberation on the report by the Deputy Minister regarding the appointment of Environment Officers in the Dzongkhags concluded on June 20, 2006.

## **VI. PRESENTATION ON AUDIT REPORT BY THE PUBLIC ACCOUNTS COMMITTEE**

According to the resolutions of the 84<sup>th</sup> Session on the Royal Advisory Councils Report on Section 7, B, a summarised copy of the report on the Annual Audit Report, 2005, Special Audit Report on Semtokha Dzong and Chukha Dzong was distributed to the members on June 12, 2006. The Chairman of the Public Accounts Committee presented the report to the Assembly on June 20, 2006. The Chairman reported that total irregularities reported in financial terms as per audit

report issued during 2005 was reduced by Nu.105.059 million, indicating an overall reduction of 28.44% as compared to annual audit report 2004.

Secondly, on the Special Audit Report on Semtokha Dzong, the Chairman reported that some of the main reasons for irregularities were:

- a) Non-preparation of detailed structural drawing and estimates;
- b) Non-conformity in the procedures for selection of site in the area of the Dzong;
- c) Refutation of modern drawings and estimates in renovation of old Dzong as per the traditional architectural designs was in contravention of construction norms. Moreover, financial losses were incurred due to lack of preliminary financial estimates.

Thirdly, on the Special Audit Report on Chukha Dzong, the Chairman reported that the organisation, agencies and the consultant responsible for the construction of the Dzong were not committed to their work. Furthermore, due to the poor quality of consultancy services, the work had to be postponed wasting time and causing an extra expenditure of Nu.66.15m for which accountability should be fixed.

Some of the members submitted that since the Public Accounts Committee had carefully studied and summarised the Annual Audit Report, a decision should be taken in the current Session of the Assembly on the report. While some members submitted that according to the Rules of the Committee, the members should conduct on-the-site verification based on the Chairman's report and submit a report to the 86<sup>th</sup> Session. The issue should then be forwarded to the Office of the Attorney General or the Court as per the directives of the National Assembly. Some members said that instead of repeatedly reviewing the report, the Assembly should take a final decision on the issue without further delay.

Regarding the Annual Audit Report, 2005, the National Assembly resolved that the Royal Audit Authority should review the report in consultation with the concerned ministries, departments and agencies and submit a report in the next Session. Secondly, according to the 2006 Rules of the Public Accounts Committee, the Committee should carefully study the Annual Audit Report, 2004. On the issue of Semtokha Dzong and Chukha Dzong construction projects, based

on the Special Audit report, the Committee should conduct thorough discussion with all the organisations involved, conduct physical verification and submit a report in the 86<sup>th</sup> Session of the National Assembly.

The deliberation on the presentation on Audit Report by the Public Accounts Committee concluded on June 20, 2006.

## **VII. ISSUES RELATED TO DEVELOPMENTAL ACTIVITIES**

### **1. Drinking Water Supply in Wangdue Town, Dzong and Army Colony**

During the 81<sup>st</sup> Session of National Assembly, the people of Wangdue Phodrang Dzongkhag, Rabdey and the business community had submitted for re-locating the drinking water source for Wangdue township from Belchu to Wakhaishong. The National Assembly had resolved to tap drinking water from Belchu Chitokha for Wangdue Township. The people submitted that the main source from Belchu was still unsafe and unhygienic for consumption due to high mineral content due to deposits of limestone and slate mines. Besides, waste water from the four villages also contaminated the water source. Therefore, it was again submitted to the National Assembly to consider changing the drinking water source to Wakhaishong.

Supporting the submission made by the members, the Major General of the Royal Bhutan Army and the councillors informed the Assembly that a total budget of Nu.85 lakhs has been made available to tap drinking water from Wakhaishong for the Royal Bhutan Army at Tencholing. While the people of Wangdue town and the Rabdey wished to tap the drinking water from Wakhaishong instead of Belchu, the people have not taken their final decision since the 81<sup>st</sup> Session of the Assembly had decided to tap the drinking water for Wangdue Township from Chitokha. The public appealed to the National Assembly to endorse their submission to relocate the drinking water source from Belchu to Wakhaishong.

The Minister for Work and Human Settlement informed the Assembly that with the assistance from the World Bank, a total amount of Nu.20,19,600

had already been spent on the drinking water project of Wangdue town till November, 2004. While elucidating on the drinking water project, the Minister said that the Ministry of Works and Human Settlement had no objection in changing the drinking water source from Belchu to Wakhaishong and expressed his concern on the damage that could be caused to the national highway while installing water pipes.

The National Assembly decided that the drinking water source for Wangdue Township should be changed from Belchu to Wakhaishong. However, the Dzongkhag Administration and the Royal Bhutan Army should take utmost care while laying the pipes along the national highway. Furthermore, the Royal Army should cover any extra expenditure that may be required for tapping the drinking water from Wakhaishong.

The deliberation on drinking water supply in Wangdue Town, Dzong and Army Colony concluded on June 20, 2006.

## **2. Rural Electrification and problems of constructing and maintaining rural electricity supply infrastructure**

The people of Samtse, Pemagatshel and Zhemgang Dzongkhag submitted that the people were facing problems in the actual implementation of the electrification plan because the Bhutan Power Corporation had not consulted the geog administrations while carrying out survey of rural electrification survey and formulation of the plan. The rural electrification master plan needed to be reviewed in consultation with the concerned geogs. Further, in the absence of road accessibility, transportation of electric equipment across the rugged terrain entailed a lot of problem and hardship for the people. Therefore, the people submitted that the government and the Bhutan Power Corporation should jointly work out amicable solution for the welfare of the people.

Further, the Bhutan Power Corporation Limited was awarding the installation of transmission line and related activities to the contractors without involving the DYT and the GYT. When the concerned contractors failed to perform the work in a satisfactory manner, the public lodged complaints to the GYT and DYT. Therefore, in order to prevent such

problems, a proper system shall be in place to ascertain the inclusion of the Dzongkhag and the geog administrations during tendering process to help in monitoring the work of the contractors.

During the deliberation on the issue, the Minister for Trade and Industry said that rural electrification was one of the main policies of the government. The production of hydropower was 500 Megawatt at present which would increase to 1500 Megawatt with the commissioning of Tala Hydropower. Hydropower was not only the main source of income for the country but was also the life line for the establishment of industries and providing job opportunities to the youth. Further, the government had the policy to provide electricity to all by the year 2020. The Ministry of Trade and Industry has electrified 14,032 households during the Seventh and Eighth Plan periods and there was plan to cover 15,000 households during the Ninth Plan period. By the Tenth Plan, it was envisaged to provide electricity to 84 % of the total households.

The Minister said that the problems faced by the geogs due to the electrification plans and programmes would be carefully reviewed and solved without further delay. Moreover, the people would not be involved in the electrification works but incase the need arose, they would be paid accordingly. The Assembly was also informed that the construction of a hydropower project in Shingkhar Geog under Zhemgang Dzongkhag would be reviewed and commenced as planned.

The National Assembly decided that the Ministry of Trade and Industry should review the plans and programmes to mitigate the problem faced by the people in the geogs due to improper electrification plans and the lack of quality work by the contractors. It was also resolved that rural electrification plans should be discussed at the GYT and the DYT before its implementation in the future.

The deliberation on rural electrification and problem of constructing and maintaining rural electricity supply infrastructure concluded on June 21, 2006.

### **3. Need for Southern belt East-West Highway Construction**

The people of Trashiyangtse Dzongkhag and the business community of the eastern and central region of the country submitted that the government should consider the construction of the East-West Highway from Dewathang to Phuentsholing during the Tenth Plan for the welfare of the general public.

Deliberating on the issue, some of the members submitted that due to the frequent strikes and closure of the highway in the Indian States of Assam and West Bengal, the Bhutanese people particularly the students were facing numerous difficulties. The travel from Phuentsholing to Samdrup Jongkhar was also taking many days due to strikes. Despite the security arrangements by the Indian Police and security forces to the Bhutanese commuters, there has been numerous cases of the Bhutanese people being harassed and threatened on the 30 km Samdrup Jongkhar-Rangiya Highway. Therefore, the members submitted that the government should consider the construction of the new Highway within our territory in the first year of the Tenth Plan.

Similarly, some of the members submitted that the issue of the construction of the National Highway from Daifam to Sipsu was repeatedly discussed in the 78<sup>th</sup>, 79<sup>th</sup> and 82<sup>nd</sup> Sessions of the National Assembly and had resolved that the construction of the road would be taken up in the Tenth Plan. The members submitted that the government should consider the submission of the people for the construction of the East-West Highway from Dewathang to Phuentsholing. The members also expressed the concern of the people on the increasing number of Indian vehicles plying on the roads in the country and sought clarification as to whether there was any agreement between the two countries on this issue. The members expressed their gratitude to the Government of India for providing full security and protection to the Bhutanese commuters traveling from Daifam to Lhomozingkha on business for weeks at a stretch and hoped that the Government of India would continue to do so in the future. Some of the members submitted that although the government

faced budget constraint, the construction of highways should be included in the road master plan and consider it as one of the important national projects in the Tenth Plan. On the issue of the government taking over the Samdrup Jongkhar Highway from Project Dantak, it was imperative to consider whether the government had the budget and the capacity to do so.

In response, the Minister for Works and Human Settlement said that according to the Vision 2020 document, the second transnational Highway from Jomotshangkha to Sipsu was to be completed by 2017 during the Eleventh Five Year Plan. The 82<sup>nd</sup> Session of the National Assembly had resolved that in the event of the availability of budget, the construction of Sipsu-Jomotsangkha Highway would commence in the Ninth Plan otherwise it would be included in the Tenth Plan. According to the Road Sector Master Plan, out of the 794 km of second East-West Highway, an additional distance of 506 km has been constructed on the existing 288 km of road. From a total distance of 516 km of Dewathang-Phuentsholing Highway, on the existing 189 km additional 327 km of road has to be constructed. If the Vision 2020 target of completing the construction of second East-West highway by 2017 was to be achieved, at least 200 km of new construction of the road has to be taken up during the Tenth Plan for which expenditure was estimated at Nu.3,065.00m. The Minister said that the construction of the East-West highway has been included in the Tenth Plan, but budget constraint was a major issue. The construction of the Highway would be accorded the highest priority but would be subject to the availability of funds.

The Minister said that the Ministry for Works and Human Settlement would abide by the resolution of the National Assembly on the issue of taking over of the highway between Samdrup Jongkhar and Trashigang from Project Dantak.

The Minister for Foreign Affairs said that road was most essential for economic development of the country. The construction of the road has been accorded the highest priority right from the start of the First Five Year Plan. Project Dantak has constructed around 1525 km of roads since the First Five Year Plan and was also fully involved in maintaining it. In

1990, the road stretching from Trashigang to Semtokha and from Trongsa to Gelephu was taken over by the government from Dantak. However, the Minister added that the availability of fund should be ascertained before a decision was taken to take over the remaining 617 km of roads from Dantak.

The National Assembly resolved that the construction of the East-West Highway along the southern belt should be continued as per the Plan. With regard to the part of the construction included in the Tenth Plan, the National Assembly resolved that the decision should be left to be pursued by the new government.

The National Assembly expressed gratitude to Project Dantak and the Government of India for their continued support in the maintenance of the Highway between Samdrup Jongkhar and Trashigang. The National Assembly resolved that the Minister for Works and Human Settlement and Finance Minister should consider the availability of budget for maintenance of the highway before a decision was taken to take over the road from Project Dantak. And continue present arrangement in case the government was facing budget constraints.

The deliberation on need for southern belt East-West Highway constructed concluded on June 21, 2006.

#### **4. Wangdue Phodrang Dzong Renovation**

Wangdue Phodrang Dzong which was built about 368 years ago by Zhabdrung Ngawang Namgyel is the third oldest Dzong in Bhutan. Although the Rabdey, the business community and the public of Shadagay had submitted for its renovation during the 81<sup>st</sup> Session, the National Assembly had resolved that the Dzong required no major renovation for the next few years. However, the wall of the Dzong are in bad shape and the timber are rotten and required major renovation from its very foundation. Therefore, it was being re-submitted to the National Assembly to consider the renovation of the Dzong.

During the deliberation, some of the members submitted that since Wangdue Dzong was one of the oldest Dzong in the country, it was very important to preserve the sacred religious treasures and the architectural design of the Dzong. The Assembly was informed that the Dzong's *Lhakhang, Goenkhang, Drasha* and *Serto* had been renovated with budget provided by the Royal Government in the past plan periods. After the Ministry of Home and Cultural Affairs conducted a thorough study, a submission was to be made to renovate the Dzong in the Tenth Five Year Plan. However, no studies have been conducted as per the resolution of the 81<sup>st</sup> session by the Ministry of Home and Cultural Affairs on the damages due to earthquake to the Dzong. Therefore, the people submitted that the government should start renovation of the Dzong as soon as possible.

In response, the Minister for Home and Cultural Affairs repeated that although the Wangdue Phodrang Dzong was one of the oldest and most important Dzongs, due to the numerous responsibilities of the Ministry and budget constraints, major renovation of the Dzong could not be initiated. The Minister informed the Assembly that as per programme, the renovation of Wangdue Phodrang Dzong was scheduled to start in the Tenth Five Year Plan along with the construction of new Pemagatshel Dzong and the renovation of Drukgyel and Zhongar Dzongs. His Majesty the King had also commanded the renovation of all the Dzongs affected by earthquake and renovation of Wangdue Phodrang Dzong would be started within the Ninth Five Year Plan provided necessary budget was available.

The National Assembly commended the efforts made by the Ministry of Home and Cultural Affairs for coordinating the renovation of Dzongs, *Lhakhangs* and *Goendays* in the country. The National Assembly resolved that the renovation of Dzongs should be carried out according to the list included in Tenth Five Year Plan. It was also resolved that the renovation of Wangdue Phodrang Dzong should be started in the Ninth Five Year Plan provided necessary budget was available.

The deliberation on the issue of renovation of Wangdue Phodrang Dzong concluded on June 21, 2006.

## **5. Handing taking over of Pam-Rangzhikhar Feeder Road**

The people of Samkhar Geog, Trashigang Dzongkhag submitted that the 9 km feeder road in Samkhar Geog which was constructed in 1965 lacked proper maintenance. This has caused difficulties to the farmers in transporting their farm products to the market. In addition, incase timely action was not taken, it was likely that landslides would damage the environment around the area. Therefore, the government should take over the feeder road from Dantak in the interest of the people of Rangzhikhar and Pam.

Deliberating on the issue, the Minister for Works and Human Settlement said that the government and people of Bhutan were extremely grateful to the Government and people of India for the generous assistance extended in the socio-economic development of the country particularly in the construction of about 1,525 kilometres of road. Although, the maintenance of most of these roads was carried out by Project Dantak, the Royal Government has taken over 908 km of roads from Project Dantak since 1989.

The Minister also said that the Ministry of Works and Human Settlement fully supported the submission of the people to take over Pam-Rangzhikhar feeder road, which was presently maintained by Dantak.

The National Assembly resolved that the 11 km of Pam-Rangzhikhar feeder road should be taken over by the Ministry of Works and Human Settlement after consultation with Project Dantak in the interest of the people.

The deliberation on the handing taking over of Pam-Rangzhikhar feeder road concluded on June 21, 2006.

## **VIII. BORDER TALKS**

The people of Dagana, Samdrup Jongkhar, Sarpang and Trashigang Dzongkhags submitted that in order to strengthen the security and sovereignty of our country, it was imperative to solve the border issues before the establishment of parliamentary democracy. Even though the base of border issue may be negligible, a solution to the problem would be found provided plans were initiated to solve these issues right from the start. While the government was continuing the border talks with China, the people would like to urge the government to amicably solve this issue and also requested for a briefing on the status and the outcome of the ongoing border talks with China.

Further, the boundary pillars erected along the Bhutan-India border have either been removed or destroyed. Therefore, the Royal Government should hold talks with the Government of India and complete the border demarcation that was started in 2005 as soon as possible. It was also felt necessary to set up security posts by the Royal Bhutan Army along the Sakten border.

During the deliberation on the border issue, members submitted that the Bhutan-China border talks should be completed based on the past resolutions of the Assembly before the introduction of parliamentary democracy in 2008. The members also submitted that the construction of six roads of which three roads was crossing the Bhutanese border was posing a problem. One road at Shakhatoe has been extended deeply into Bhutanese territory. The people of Haa had always used Shakhatoe as their pasture land. Another area of concern was in Dolephen where the Chinese had started constructing roads last year. The past record showed that Bhutan had an area of more than 46,000 square kilometres but the present figure has decreased to 38,000 square kilometres showing a difference of 8,000 square kilometres. The members expressed their reservations as to why the area kept reducing while boundary discussions were still going on.

Providing a background on the issue, the Secretary for International Boundaries said that according to the resolution of the 83<sup>rd</sup> Session, concerns of the Bhutanese people over the construction of six motor roads by the Chinese in the northern border were raised during the 2<sup>nd</sup> Expert Group Meeting held in Thimphu during July 2005. In response, the Chinese had maintained that the Bhutanese side was over-reacting on the road construction issue and that the road was constructed purely for the economic development of western part of China including Tibet. However, the construction has stopped in view of Bhutan's concerns and friendly

relations between the two countries. Since then no activities of road construction has been observed. The Assembly was informed that the 18<sup>th</sup> round of border talks was scheduled to be held in Beijing this year and confirmation was awaited from the Chinese side.

The Secretary gave a detailed explanation on the border related works carried out by the Department of Survey since its establishment in 1961. The Secretary explained that in order to understand the northern boundary, a team of army, surveyors and people who were well versed with the border areas were deputed to verify the extent of border, pasture land and check tax payment by the people living in the border areas. After the survey, a map was prepared and was presented to the 68<sup>th</sup> Session of the National Assembly in 1989, at a special session held in Lungtenphu. After the presentation, the Speaker and the Deputy Speaker had signed and endorsed the map. A copy of the map was even presented to the Chinese government and at present the border talks were being held based on this map. According to this map, the total area of the country was 38,394 square kilometres.

Likewise, the Bhutan-India boundary was demarcated in 1963 under the supervision of the Commissioner of southern Bhutan. By 1971, boundary demarcation as well as boundary pillar works were completed. The entire boundary between Bhutan and India was covered by 62 strip maps out of which 47 boundary strip maps have been signed between the two governments and 15 boundary strip maps remained to be signed. A meeting to review the progress for the completion of the 15 remaining boundary strip maps was held in December 2005 and seven strip maps were signed, five covering the Bhutan-Arunachal Pradesh sector and two falling in Bhutan-Assam sector. In addition, out of 7 main boundary pillars and 39 subsidiary boundary pillars to be constructed along the Bhutan-Sikkim border, construction of 4 main boundary pillars and 28 subsidiary boundary pillars have been completed. Along the Nichu-Jaldaka river segment of the Bhutan-West Bengal border, 5 main pillars and 64 subsidiary pillars have been constructed. In order to maintain the 168 main pillars and 801 subsidiary pillars along the Bhutan-Assam sector, 140 main pillars and 600 subsidiary pillars have been inspected and the remaining 28 main pillars and 201 subsidiary would be studied and maintenance work started. In order to start the maintenance works on the 104 boundary pillars along the Bhutan and the Indian states of Arunachal

Pradesh as decided in June 2006, a team of surveyors from both sides would be meeting in Blaimo, India next month.

In response to the submissions made for setting up security post by the Royal Bhutan Army, the Major General said that it would not be possible for the army to set up security posts since there was no policy to do so.

The National Assembly resolved that efforts should be made to conclude the border talks between Bhutan and India. Secondly, the Secretary of International Boundaries and the Foreign Ministry should complete the signing of the 8 remaining boundary strip maps and related matters by 2006 according to the resolution of the 84<sup>th</sup> Session. Thirdly, the security posts along the Sakten border would be set up according to the decision of His Majesty the King since the people had reposed in His Majesty the King, the full responsibility on matters related to the Army.

The deliberation on border issues concluded on June 21, 2006.

## **IX. LAND RELATED ISSUES**

The public of Wangdue Phodrang, Pemagatshel, Zhemgang, Bumthang, Lhuentse, Trongsa and Gasa Dzongkhags made their submissions on the construction of houses on wet land, acquisition of private land for infrastructure development, land compensation and substitution, exchange of land, payment of cost for excess land and *Khimsa* entitlements.

Some of the members submitted that due to disintegration of families and fragmentation of land holdings, many families did not own dry land or other types of land except wet land as their share. For such families, the government should, after proper verification grant permission to build houses on their wet land. The members submitted that 25 households from Thedthso Geog had submitted applications to the Ministry of Agriculture for permission to construct houses on their wet land. Since permission was granted only to 6 households, people have begun to doubt the fairness in the procedure. Although people were willing to surrender their private land to the government for development infrastructure, the restriction imposed on the change of *Thram* from private to public ownership has been a setback. Therefore, it has become necessary to amend this policy.

Moreover, the fixation of the cost for excess land should not be uniform on all types of land but should be based on the fertility and location of the land. The people of Zhemgang also requested that the time for payment for cost of excess land be extended by 5 to 6 years.

Some members submitted that people who owned land away from the place of their residence which could not be cultivated should be allowed to exchange the land with the government land located nearby. It was also submitted that a mechanism to provide land substitution and land compensation should be put in place for those people facing hardships due to loss of land as a result of flood and landslides. Moreover, during the cadastral survey, most of the farmers who owned marginal landholdings had to surrender their excess land. It was submitted that the farmers with less than 5 acres of land should be allowed to retain the excess land without payment as *Kidu*. Some members submitted that the people of Gasa Dzongkhag were moving seasonally to practice farming on their land situated at different locations but under the same *Thram*. Most of these people built their houses at different locations. However, as per the Land Act, a *Tharm* holder was entitled for only one *Khimsa* and was not entitled for *Khimsa* on the other land on which they have built their house. It was therefore submitted that the government should devise appropriate measures to solve this problem faced by the people.

Deliberating on the issue, some of the members pointed out that the right to convert land was clearly mentioned under Section KA-3-3 of the Land Act. Furthermore, it was submitted that due to extreme scarcity of agricultural land, the government should acquire only those private land not suitable for cultivation for the construction of development infrastructure.

Some of the members submitted that those families owning only wet land should be permitted to build houses on fixed decimal (area). Alternatively, the government should look into the possibilities of granting certain area of vacant government land to the people as *Khimsa*. It was also submitted that when the government acquired private land for developmental purpose according to Section KA -6-8 of the Land Act, the land substitution should be simultaneously provided

Responding to the submissions made by the members, the Prime Minister said that the Department of Survey and Land Records was carrying out the

responsibility of *Tharm* transfer in strict adherence to the Land Act, resolutions of the National Assembly, the Orders and Notifications of the government and the policies of the Ministry of Agriculture. Moreover Sections KA-3-10 and KA-3-10A of the Land Act were very clear on the issues raised by the people. The Prime Minister added that although the 69<sup>th</sup> Session of the National Assembly had resolved that construction on wet land would not be permitted in accordance with the Land Act, the Ministry was carrying out studies to solve the problems faced by the people.

The Prime Minister informed the House that a guideline for allotment of land substitution was formulated based on the compensation rate of 1996. A land substitution allotment Committee was instituted as directed by His Majesty the King. The Prime Minister also informed that the Ministry of Agriculture was issuing orders and directives to other ministries and Dzongkhags not to acquire wetland and farmland.

As the Land Act was in the process of being reviewed, the National Assembly resolved that the problems encountered by the people should be submitted to the Ministry of Agriculture through the GYT and DYT duly signed by their respective Chairman so that this problem could be adequately addressed while amending the Land Act.

The deliberation on land related issues concluded on June 22, 2006.

## **X. MISCELLANEOUS ISSUES**

### **1. Promotion of Tourism in the eastern Dzongkhags**

The people of Mongar and Trashigang Dzongkhags submitted that the people have greatly benefited from the various developmental activities. However, the development of tourism in eastern Bhutan would greatly enhance the income of both the people and the government. The people requested for the establishment of liaison offices in the eastern region and identify Samdrup Jongkhar as the main Dzongkhag in order to develop tourism in the eastern region.

Some of the members said that among other sectors like the industries and hydropower, tourism was an important contributor to the socio-economic

development of the country. Therefore, promotion of tourism in the eastern region would increase the income and help to reduce youth unemployment, discourage rural-urban migration and alleviate poverty. The Royal Government should hold talks with India on the possibility of utilizing the Guwahati airport by tourists visiting Bhutan.

Taking advantage of the increasing numbers of tourist visiting Bhutan every year, it would be appropriate to open up eastern Bhutan so as to promote our rich and unique culture and heritage sites in the region. The members requested the Minister for Information and Communications to brief them on the status of commencing helicopter service as decided in the 83<sup>rd</sup> Session. The House was informed that a training programme to improve the quality and service of hotels in the country was being conducted in coordination with Bhutan Chamber of Commerce and Industry and the Ministry of Works and Human Settlement. The establishment of international airport in Gelephu and the construction of national highway from Daifam and Sipsu as envisaged would greatly help to promote tourism in the eastern region as well as Zhemgang Dzongkhag. Further, it was also imperative to meticulously plan the development activities in order to achieve a balanced economic growth in the country.

In response, the Minister for Trade and Industry and the Minister for Information and Communications said that eastern Dzongkhags had immense potential for tourism with its rich culture, intact environment and prevalence of traditional weaving custom. The government also had plans and policies to develop tourism in the east. Moreover, there was plan to renovate the Zhongar Dzong which was presently lying in ruins and to open the route through Samdrup Jongkhar for the tourist visiting eastern Bhutan. However, to promote tourism, the quality of basic services should be standardised for which trained personnel were required. While, the Ministry for Trade and Industry has been providing training based on the needs of the hotels, plans have been formulated to construct a Hotel Management training centre with assistance from the Government of Austria.

In addition, the recently introduced private helicopter service was being availed only by the government and till date no tourist has used this facility. It was hoped that helicopter service would be successful with the increasing number of tourist visiting the country in the future. Although, tourism was an important factor in the economic development, tourists visiting Bhutan were not encouraged to come through Guwahati to Samdrup Jongkhar due to the security problem in West Bengal as a minor incident could affect the country's entire tourism industry.

Furthermore, although Guwahati has an international airport, Druk Air was yet to finalise its operation in Guwahati as Druk Air was yet to ascertain the safety in the state. Regarding the construction of international airport at Gelephu, talks have been held with Government of India and a team of experts have completed the first round of feasibility studies and the second round would be conducted in October, this year. Similarly, studies were also being carried out to explore the possibilities of constructing airports in Phuentsholing and Bumthang.

Keeping in view the importance of implementing balanced economic development in the country and also considering the increased number of tourist interested in visiting Bhutan, the National Assembly resolved that the Ministry of Home and Cultural Affairs, Ministry of Trade and Industry and the Ministry of Information and Communications should formulate a clear policy on tourism and take necessary steps to promote tourism in the prospective Dzongkhags.

The discussion on promotion of tourism in the eastern Dzongkhags concluded on June 22, 2006.

## **2. Road Policy needs to be changed**

The people of Punakha Dzongkhag submitted that in order to achieve self sufficiency and economic development, emphasis should be placed on the triple gem concept of enhancing production, improving access and efficient and effective marketing. Since transportation was the life line of the rural population and in view of the welfare of the people, the

government should carry out timely maintenance and black topping of existing feeder roads.

During the deliberation on the issue, the members submitted that the maintenance and blacktopping of feeder roads was not within the mandate of the Department of Roads. Efforts should be made to achieve the goal of poverty alleviation in the Tenth Plan in the country as poverty was mostly prevalent in the remote villages. The Minister of Agriculture said that improving road access was an important agricultural policy. Therefore, the existing farm roads should be improved in order to reduce transportation cost. The members reiterated that the people faced difficulties during the rainy season because the base course work on the farm roads was not prepared. This has also increased the transportation cost. As such, the current road policy should be reviewed and budget for black topping of road should be considered. Furthermore, inconveniences were also faced because there were no bridges wherever there were farm roads. The people requested that the government should hand over the materials from the dismantled bridges to build bridges to connect the farm roads.

In response, the Minister for Works and Human Settlement informed the members that out of the total existing 4392 kms of roads in the country, 388 kms were farm roads and 1270 kms were feeder roads. If the existing 1270 kms of feeder road were to be black topped as submitted by the people, a total expenditure of Nu.1,315.760m would need to be incurred. In order to maintain the road, black topping has to be done every four to five years, for which a total expenditure of Nu.1, 315m was required. In addition, huge expenditure need to be invested on the base course work of the feeder roads. The Minister also said that it was important to carry out a study on the frequency of the farm road use. Bridges at Tangma Chu, Waklaytar and Sunkosh were some of the bridges that would be completed by 2007 and the old bridge materials would be be handed over so that it could be used for building bridges on the farm roads.

Similarly, the Prime Minister requested for permission to report on this matter during the discussion on construction of power-tiller roads to be submitted by Lhuentse Dzongkhag.

The National Assembly resolved that as submitted by the Prime Minister, this issue would be considered during discussion on the construction of power-tiller roads.

The discussion on change in the road policy concluded on June 22, 2006.

### **3. Salary for *Tshogpas***

The people of Samtse, Trashigang, Punakha and Tsirang Dzongkhags submitted that the *Tshogpas* have been doing the work without any allowances or payment. where ever the *Gups* and *Mangmis* were not able to contact and coordinate with the people in the villages. As per the GYT *Chathrim* 2002, the *Tshogpa* should be an able person to carry out the responsibilities. Further, as per the decentralization policy, *Tshogpas* play a very important role in carrying out the decisions of the GYT on a regular basis and mobilizing people's participation in geog developmental works and overseeing its timely completion. Therefore, in order to attract and instil interests in school dropout youth to take up the responsibility of *Tshogpas*, salary or allowances to the *Tshogpas* may kindly be considered.

Deliberating on the issue, members said that as per the GYT *Chathrim*, 2002, and the decentralization policy, the roles and responsibilities of the *Tshogpas* in geogs has become more complex and demanding. The *Tshogpas* should be entitled to monthly remuneration according to international practice. Alternatively, an allowance in recognition of the services provided by the *Tshogpas* should be considered by the government incase salary could not be considered at the end of their one year tenure.

The Minister for Home and Cultural Affairs said that as per the GYT *Chathrim*, the roles and responsibilities of *Tshogpas* were delegated to individuals in the service of the general public on yearly basis unlike *Gups*, *Mangmis*, and Geog secretaries who were paid salary. In the event, a monthly remuneration system for *Tshogpas* was introduced, the government would face financial constraints due to the huge number of *Tshogpas* in the country. However, the Ministry of Home and Cultural

Affairs would set certain criterion for the salary or allowance to be paid to the *Tshogpas* and submit it to the council of ministers for approval. The decision of the council of ministers on the salary or incentives to the *Tshogpas* would be presented during the Annual GYT and DYT Chairperson's meeting.

As submitted by the Minister for Home and Cultural Affairs, the introduction of remuneration or incentive system for *Tshogpas* would be carried out based on the availability of government budget. The National Assembly resolved that the Ministry of Home and Cultural Affairs should prepare a criterion on payment of monthly salary or allowance to the *Tshogpas* at the end of their tenure based on the discussion in the meeting of the council of ministers and report the decision to the Annual meeting of the GYT and DYT Chairpersons.

The deliberation on the salary for *Tshogpas* concluded on June 22, 2006.

#### **4. Tender Works**

The people of Samtse Dzongkhag submitted that the contractors were sub-letting their license to the Indian contractors. Such practices compromised with the quality of developmental works and therefore should be prohibited.

The National Assembly resolved that further discussion on the issue was not required since the issue was already discussed under point 4, page 2 of the Zhung Kalyon's report on measures to enhance the quality of building materials

The discussion on tender works concluded on June 22, 2006.

#### **5. Penalties for non- compliance of the resolution of the National Assembly**

The people of Chukha Dzongkhag submitted that the resolutions of the National Assembly were resolved by the Assembly in the presence of His Majesty the King, the Prime Minister and the Honourable Members of the

National Assembly. The people, requested to know the penalties imposed on the officials not complying with the resolutions of the National Assembly. This issue was raised because the resolution of the 84<sup>th</sup> Session requiring all meetings to be conducted in Dzongkha inline with the *Kasho* of His Majesty the King was not being implemented.

During the deliberation, the members submitted that the resolutions passed by the National Assembly were as important as the laws of the country. Therefore, it was important to adopt appropriate resolution in the 85<sup>th</sup> Session to address the issue of non-compliance to the resolutions. While it was the responsibility of every Bhutanese to sincerely implement the resolutions passed by the National Assembly, it was important to draft Rules of Procedures of the National Assembly and strictly implement it. It was imperative to have rules and system in place because only a handful of people strictly adhere to the resolutions passed by the Assembly. A committee comprising members from the Assembly or a committee consisting of members from the three branches of the government should be formed to oversee the implementation of the resolutions.

Supporting the submissions of the members, the Zhung Kalyon said that the Royal Advisory Council has submitted three implementation status reports on the resolutions passed by the National Assembly till date. Therefore the National Assembly should mandate the Royal Advisory Council to go beyond reporting only on the implementation status. Similarly, on behalf of the Royal Advisory Council, the Zhung Kalyon pledged to serve the House as per Chapter 4, section 2 of the Royal Advisory Council *Chathrim*.

Similarly, the Foreign Minister said that at present the implementation of resolutions of the National Assembly by the ministries, departments and agencies were reported through the Royal Advisory Council. In view of the welfare of the people, the Royal Advisory Council and the concerned ministries and department should in close cooperation report on the implementation of the resolutions and the achievements made so far.

The National Assembly resolved that since the Assembly was the highest legislative body, it was imperative that all the people complied with the

resolutions. Unless commanded by His Majesty the King, all the people should conform to the resolutions passed by the Assembly. Anyone not complying with the resolutions passed by the National Assembly should be dealt according to the laws of the land without any relaxation.

The deliberation on penalties for non-compliance of the resolutions of the National Assembly concluded on June 23, 2006.

## **6. Foreign Workers**

The people of Samtse Dzongkhag submitted that the Department of Labour allowed thousands of foreign workers in construction works involving government project whereas outside workers were not allowed in the rural areas. This has hampered in the construction works. Therefore, the policy on recruiting foreign workers should be made identical for every one and the government should allow to employ five to ten foreign workers in rural areas as *Kidu*.

Some of the members said that the people used to serve the country through the system of Dokyal woola, Sumdom, Dudom and Chunidom without any wage in the past. His Majesty the King, considering the welfare of the people abolished these systems and introduced the new system of Gungdra woola which was being implemented till date. It was revealed that out of the total population in the country, 23% were foreign workers. It was important to keep in mind the risk that may be posed to the peace, sovereignty and security of the country due to the increasing number of expatriate workers in the country. Moreover, the increasing dependence and trust placed on the foreign workers may prove to be a disadvantage and therefore this issue should be carefully studied.

The government being concerned over the problems of unemployment of the youth has placed utmost importance on the policy of reducing the number of foreign workers. One disadvantage of foreign workers was that they may get enumerated in the census which would prove more of a problem at present and a risk in the future. The number of foreign workers should be reduced and vocational training should be provided to the unemployed youth to build capacity. Furthermore, the benefits accrued

from employing foreign workers lasted only for two to three months whereas the disadvantages may last for centuries. The number of foreign workers should be reduced and restriction imposed on their recruitment in view of the security and sovereignty of the country. For example in Phuentsholing, especially during Saturdays and Sundays, only a few Bhutanese were seen while the majority were foreign workers. Therefore, this issue should be dealt according with the past resolutions of the National Assembly.

In response, the Minister for Labour and Human Resources said that the policy of permitting foreign workers was clearly stated in the resolution of the 24<sup>th</sup> Session of the National Assembly. While foreign workers were employed due to lack of labourers in the country, the Bhutanese would have to carry out their own construction in the future. Foreign workers were permitted in the Dzongkhags for the construction of developmental infrastructure without which the stage of development in the country would not have reached the present stage. The council of ministers had also taken a decision to limit the issuances of permit to foreign workers for private home constructions in the rural areas in 2004 according to the past resolution of the National Assembly.

According to the Ministry of Home and Cultural Affairs, 37,472 foreign workers with work permits were employed in the country as of May, 2006. Of the 37,573 foreign workers with work permits, 9,438 (25%) were employed in government projects while 10,162 (27%) in private construction in urban areas. 13,280 (35%) were employed in government projects and 1,916 were employed in private construction in rural areas. The number of foreign workers would be reduced with the completion of the projects and private constructions. However changing the policy and limiting would adversely affect the implementation of foreign workers developmental projects at this crucial stage.

According to policy of permitting foreign workers and the past Assembly resolutions, the total number of approved foreign workers was 30,000. However, the number has increased by 15,000 workers due to the construction of the Tala Hydropower and Basochu Projects. The number

was expected to reduce with the completion of these two projects. Nevertheless, with the upcoming second project on Puna Tsangchu, Mangdi Chu and construction of residential house for Constitutional posts, the total number of 15,000 foreign workers would remain unchanged. The Ministry of Labour and Human Resources was also working towards maintaining the number of foreign workers at 30,000. The Minister said that permit to foreign workers for private construction in rural areas would be gradually checked.

The Samtse Chimi clarified that his submission was not for requirement of additional foreign workers but the existing policy of 30,000 foreign workers should cover not only the projects and constructions but also the construction of private homes in the villages.

The National Assembly resolved that according to the resolutions of the 81<sup>st</sup> Session, the Ministry of Home and Cultural Affairs in consultation with the Ministry of Labour and Human Resources should thoroughly study and allow foreign workers required for important government projects and other projects wherever necessary. The two ministries should also examine the recruitment of cooks, servants, domestic helpers and baby sitters in Bhutanese homes and people married to non-national without marriage certificates and take necessary actions so as to avoid future discussions on the issue. The Assembly also resolved that measures to reduce the existing numbers of foreign workers should be devised and strictly regulated.

The deliberation on foreign workers concluded on June 23, 2006.

## **7. Establishment/Relocation of Government Offices/Agencies to Dzongkhags**

The people of Trashigang Dzongkhag submitted that it was necessary to establish and relocate central government offices and agencies in the Dzongkhags to help people better understand the plans and policies of the various ministries and encourage equitable developmental activities. The autonomous and important non-governmental organizations should be

represented at the Dzongkhag level to execute their plans and policies directly with the people in the Dzongkhag.

Deliberating on the issue, the members said that the establishment and relocation of the central government offices in the Dzongkhags would reduce the problem of rural-urban migration and reduce the population in urban areas. The establishment of the office of Dzongkha Development Authority in eastern Bhutan would greatly enhance the promotion of the national language. Likewise, the establishment of central government offices in the eastern Dzongkhags would augment the successful implementation of plans and policies and would also make it convenient for the government and the community to collectively carry out socio-economic development of the country.

In response, the Minister for Education informed the House that the erstwhile Dzongkha Development Commission was instituted under the Ministry of Education as an Authority as per the good governance policy. The plans, budget and the salary of its employees were directly under the Ministry. Hence, the establishment of branch offices of Dzongkha Development Authority was not possible. The Minister for Trade and Industry also said that it was important to understand the need and the benefit for establishing government offices in the Dzongkhags. Except for the central government offices, branch offices of departments were established in the indispensable Dzongkhags. Further, out of 18,000 civil servants employed in the country, 70% were working in the Dzongkhags. In order to promote balanced development, the ministries, departments and agencies should be established in the Dzongkhags according to the plans and policies. This would facilitate the development of towns in rural areas and the youth would not have to travel all the way to Thimphu for employment.

The National Assembly resolved that it would be appropriate to establish branch offices in eastern part of the country to successfully implement the government policies. Moreover, the relocation of government offices and agencies would help achieve His Majesty the King's noble vision of Gross National Happiness and promote equitable development in the country.

The deliberation on the issue of establishment/relocation of government Offices/Agencies to Dzongkhags concluded on June 23, 2006.

## **8. Clarification on the Audit Reports**

The Public Accounts Committee submitted to the Assembly a summary of the Annual Audit Report and a Special Audit Report on the Semtokha Dzong and Chukha Dzong Construction on June 20, 2006. In order to avoid misunderstanding on the Audit Reports by the members, the Prime Minister had requested the Speaker for a presentation of the Audit Reports to the Assembly by the Auditor General. On June 23, 2006, the Auditor General presented the Audit Reports and clarified on the Audit Reports. The Auditor General said that there was no corrupt practices prevalent in the government whatsoever. Likewise the Finance Minister explained and clarified on all the issues related to finance. The National Assembly expressed its appreciation to the Auditor General for clearing doubts and misunderstandings on the audit reports.

The discussion on the clarification of the Audit Report concluded on June 23, 2006.

## **9. Strengthen the enforcement of laws and policies**

The people of Dzomi Geog, Punakha Dzongkhag submitted that the laws and policies formulated under the farsighted leadership of His Majesty the King were recognized and appreciated by other countries. Nevertheless, there were doubts that favouritism and nepotism may lead to violation of laws, fraud and corrupt practices during the actual implementation of the laws and policies. Therefore, it was important to formulate appropriate measures to enforce the existing laws and policies to prevent corruption before the institution of parliamentary democracy.

Some of the members said that under the farsighted leadership of His Majesty the King, Bhutan has set exemplary laws and policies which were appreciated by other countries. But the problem was with their effective implementation. The implementation of laws and policies fairly and

impartially would greatly benefit the country and it was important to ensure that the laws passed by the National Assembly were actually implemented. Although the National Environment Commission has been strictly implementing the environmental laws during the construction of farm roads and power-tiller roads, the same laws have not been enforced and implemented while carrying out the road widening Phuentsholing-Thimphu highway by Project Dantak.

The members also pointed out that there may be instances when some people approach the ministries directly on issues that could not be decided by the DYT and GYT. The government should not entertain approaches that were not verified by the Dzongkhag and geogs. Furthermore, the contractors wittingly involving in corrupt practices should be dealt without relaxation. It was also necessary to revoke the licenses of Bhutanese citizens who misuse and sub-let it to non-nationals in order to give equal business opportunities to other Bhutanese citizens. The members expressed doubts on those individuals who were not punished even after the court passed verdict against them.

Some of the members said that in Phuentsholing, many licenses have been passed on to the non-Bhutanese. Even the contract works awarded to a class 'A' contractor was being carried out by a class 'C' contractor. The government should develop a system to prevent sub-letting of the licenses to avoid corrupt practices and the engineers could help to do so by strictly implementing the rules and regulations while awarding the contract works.

A few of the members reiterated that before the launching of the Constitution, it was imperative to strengthen the laws and policies. Under the new Position Classification System, all the civil servants were required to declare their income and assets. In a similar way, a provision requiring the private sector and the general public to declare their income and assets should be mentioned either in the Anti-Corruption Act or the resolution of the National Assembly. It was also mentioned that the Bhutan Chamber of Commerce and Industry, the Ministry of Trade and Industry and Ministry for Home and Cultural Affairs had carried out investigation on the issue of trade licenses and a report had been submitted to the government.

In response, the Prime Minister said that it was very important to have effective laws to achieve Gross National Happiness and strengthen good governance. An Office of Legal Affairs was also established in the year 2000 to represent the government both within and outside the country on legal matters.

The Minister for Information and Communications said that the information technology revolution in the country would definitely go a long way in fighting corruption. Corruption could be drastically minimized by carrying out licensing and tendering for contract works through the internet. The Minister informed that the new Dzongkha Linux software would enable the people to use internet in Dzongkha thereby opening the floodgate of knowledge sharing. All the geogs in the country would be connected by telecommunication facilities by December 2006 which would help root out corruption in the country.

The Deputy Minister for National Environment Commission said that there were strict environment rules prescribed for any project or schemes. The National Environment Commission had also carried out the necessary environment impact assessment on the Phuentsholing-Thimphu highway. During discussion with Project Dantak, they informed us that they were in possession of a *Kasho* from His Majesty the Late King according them full authority to decide on any issues relating to road construction works. The National Environment Commission had maintained that the Environment Act of 2000 should not be contravened. The Deputy Minister informed that the Commission has been carrying out frequent environment inspection and assessment as per the agreement reached between the Chief of Project Dantak, Ministry of Works and Human Settlement and the National Environment Commission.

The Minister for Trade and Industry said that business licenses have always been issued for the benefit of the Bhutanese people and development of the country. Although the people were misusing their business license and were engaging in fronting, the Ministry had started to revoke the licenses of those people involved in such activities. The

government and the people must work together to stop such practices in the interest of the country.

The Minister for Home and Cultural Affairs said that the Dzongdas should take note and ensure that people did not directly approach the ministries before consulting the DYT and GYTs. The Ministry was in the process of investigating illegal sub-contracting works in the geogs. It may be true that despite numerous Acts being passed, implementation have not been effective. Therefore, the ministries, GYT, DYT and the community leaders should work together for effective implementation of the laws and policies. Irrespective of status everyone had the responsibility to uphold and strengthen the laws and policies of the country.

The Minister added that the government was conscious and aware of the increase in crimes and corruptions cases in the country. Under the direction of His Majesty the King, the Home Ministry, Judiciary and the Royal Bhutan Police had prepared a report on strengthening the implementation of the laws which was then submitted to the Lhengye Zhungtshog. The Minister also informed the Assembly that the Election Commission being a new office has not been able to open branch offices in the Dzongkhags. The Ministry for Home and Cultural Affairs and the Election Commission would together formulate a system to solve election related problems in the Dzongkhags and geogs.

The Minister for Foreign Affairs submitted that although contract licenses have been issued only to the Bhutanese citizens, people were misusing the licenses and engaging in fronting. The responsibility to solve the problem of fronting should rest with the Bhutan Chamber of Commerce and Industry.

The National Assembly noted that His Majesty the King has always emphasized on the importance of preventing crimes and corruption in the country. His Royal Highness the Chhoetse Penlop in His address to the Nation in Paro had said that corruption in the country should be rooted out at all costs. Therefore, the National Assembly resolved that the Ministry of Trade and Industry should investigate the cases of fronting of trade

licenses and penalise those found guilty in accordance with the laws of the land and be more vigilant and cautious in issuing new licenses.

The deliberation on the issue on need to strengthen enforcement of laws and policies concluded on June 26, 2006.

#### **10. Preservation of traditional architectural design**

The people of Chumey Geog, Bumthang Dzongkhag submitted that our unique architectural design, culture and heritage were appreciated by other countries. Although, the Department of Housing under the Ministry of Works and Human Settlement was emphasizing on the importance of preserving our rich traditional architectural design, the use of traditional architectural design has decreased even in the Dzongkhags. It was an indication that the ministries, departments and agencies had no clear perception on the importance of preserving our culture but were influenced by self interest.

His Majesty the King had commanded that the houses in Bumthang and Trashiyangtse should be taken as a model for house construction in the towns because they were built in traditional style. The construction of houses in traditional design from the foundation would help promote and preserve the traditional architectural design. In case, houses were allowed to be built according to one's own will, there would be different types of architecture. Henceforth, the architects should design houses or buildings based on the traditional architectural design.

The Trashigang Dzongda submitted that while carrying out construction works, the contractors did not consult the Dzongkhag administration and the community leaders. Therefore, since the use of traditional design was on the decline, this issue need to be discussed in the Assembly.

In response, the Minister of Works and Human Settlement said that it was very important to preserve and promote our traditional architectural design because it was not only an age old culture but served as a unique Bhutanese identity. The government has formulated strict policies on the importance of preserving and promoting traditional architectural designs. The Ministry of Information and Communications has also drafted Acts

and Rules of Procedures regarding this issue. The Assembly was informed that construction of houses in the towns should comply with the Bhutan Building Rules, 1983, which was amended in 2002. It was important for the architects trained outside the country to be aware of the traditional architectural designs of our country.

As per the Building Rules, 1983, a book on Introduction to Traditional Art of Bhutan and Guidelines to Traditional Art of Bhutan was published. It was reported that a new architectural manual was being developed after a thorough review and research on the existing traditional architectural design. The Lhengye Zhungtshog had also discussed this issue several times and has stressed the importance of preserving and promoting our traditional architectural design. As directed by the Lhengye Zhungtshog, the Ministry of Works and Human Settlement has formed an expert group committee of architects chaired by the Secretary of the Ministry of Works and Human Settlement. The committee will examine the reasons for the decline in design and formulate measures to preserve and promote traditional designs.

The National Assembly resolved that it was imperative to use traditional designs during construction of houses in order to preserve and promote our traditional architectural designs.

The deliberation on the preservation of Traditional Architectural Design concluded on June 26, 2006.

#### **11. Position and Colour of *Kabneys***

The public of Punakha, Bumthang and Pemagatshel Dzongkhags submitted that *dhar* and the colour of *kabneys* for the three branches of the government and other elected office holders should be standardized prior to the launching of the Constitution. While there were different colour of the *kabneys* for the three branches of government, the colour of *kabneys* worn within a branch of the government had different colours. The members also opined the possibilities of changing the colour of *kabney* for the Prime Minister and the members in the future and the prospect of

awarding different *kabney* for the community leaders such as the *Mangmis*.

During the deliberation, the members said that the government should provide funds to conduct official ceremonies similar to that provided to officers of the civil servants while traditionally conferring *dhar* to the elected Gups as it entailed extra expenditure. The members also expressed their concern that the poor people would be over burdened when elected members followed the same tradition and custom during the celebration. Therefore, it was important to standardize the system of conferring *dhar*.

It was also submitted that the *kabney* of Heads of the three branches of the government should be uniform. It was also not appropriate that the Heads of the three branches of government to grant positions that were awarded by His Majesty the King ten years before. According to the resolution of the 81<sup>st</sup> Session, *patang* and *kabneys* awarded other than by His Majesty the King, especially designed to identify the position of the officers at the Dzongkhag administration, judicial courts and Dungkhags could be worn only during the tenure of service at that post and not when transferred to other ministries, departments or organisation. However, there were many civil servants who were not adhering to this rule. Furthermore, there was a need to streamline the prevailing practice of wedding ceremonies and promotions which entailed huge expenses. It was also important to standardized the scarves of the armed forces.

In response, The Minister of Home and Culture Affairs said that different countries had different system of awarding titles according to their culture and tradition. Similarly, different *kabneys* were awarded to people depending upon their designation and responsibility. While the discussion on *kabney* for *mangmis* was necessary, it was not appropriate to change the existing system of awarding *kabneys*. There were about 25 Kingdoms in the world and the titles were conferred by the Kings and the Queens. In our country also, His Majesty the King had the prerogative to award title to the most suitable and deserving person. As such, it was not necessary to change the existing system of conferring *dhar*. Likewise, in view of the importance to standardise the custom of addressing a person by the title

*Dasho*, the Ministry of Home and Cultural Affairs would study the system and submit a report in the next session of the Assembly.

Furthermore, the members were informed that during the promotion of officers in the Civil Service, except for the formal procedures while joining the office, there were no other entitlements. Therefore, the government was not in a position to provide financial support to the community leaders. It was also not appropriate to frame norms for wedding and promotion ceremonies because it would be in contradiction with the Constitution.

The National Assembly resolved that the council of ministers should discuss and decide on the system of *patangs* and the colour of *kabneys* worn by officials holding different positions and submit a report in the 86<sup>th</sup> Session of the National Assembly.

The deliberation on the issue of position and colour of *kabneys* concluded on June 26, 2006.

## **12. Control of Alcohol Sale and Consumption**

The people of Nangla and Bjoka geogs submitted that alcohol was harmful to the health and adversely affected the traditional culture and etiquette of Bhutanese society. Adherence to the 1992 Notification prohibiting the sale of alcohol to minors below the age of 18 years should be investigated. To achieve the target of poverty eradication, firm measures should be taken to prohibit the sale of alcohol and alcohol related products.

Deliberating on the issue, the members said that alcohol was the main cause for domestic violence and motor accidents. With 60% of patients being treated for alcohol related illness annually, the government was overburdened with medical expenses. It was suggested that price of alcohol should be increased to discourage the consumption of alcohol and reduce its sales. The people who submitted that the present practice of issuing bar licenses through the GYT directives would be beneficial in controlling the use and sale of alcohol.

Sale of alcohol cannot be immediately banned or controlled because people had the notion that only drugs were dangerous. Since local brewed *Ara* was equally harmful, the Assembly should resolve to reduce the number of bar licenses.

Further, His Holiness the 70<sup>th</sup> Je Khenpo had ordered for the ban on use of alcohol and meat related products during cremation rites. Therefore, the concerned authorities should strictly enforce the ban as per the resolution of the 81<sup>st</sup> Session. However, immediate ban on alcohol might lead to illegal business in alcohol and its related products.

The Minister for Trade and Industry Minister informed that the issuance of bar licenses was discontinued at one stage considering the harmful effects of alcohol. Since the issuance of bar licenses was stopped, it affected the people who were dependent on the sale of alcohol for their livelihood and subsequently issuance of bar licenses was resumed. The tax on bar licenses varied from place to place based on the location. Sales tax was 50% and tax on foreign import was 150%. Alcohol produced in factories within the country was levied 20% to 60% tax. The Ministry would study the submissions made by the people and submit a report to the National Assembly.

A representative from the Dratshang said that according to Buddhism, alcohol was the root cause of all evils. The community leaders should educate the people on the harmful effects of alcohol and also control the sale of alcohol in their locality. The monastic body would also take appropriate steps to inform the general public on the ill-effects of alcohol.

While expressing his gratitude to the members for sharing their concerns, the Health Minister said that alcohol addict suffered from 60 different illnesses and liver cirrhosis was the most common disease. The majority of patients admitted in the hospitals suffered from alcohol related illness and referral of alcohol related patients to hospitals outside the country entailed huge financial implication. The report of the 2004 World Health Organisation stated that from the total of 2 billion people in the world consuming alcohol, 76.3m suffered from alcohol linked illnesses while

1.8m died from alcohol related illnesses, accounting for 3.2% of the total deaths in the world. In our own country, 50% men and 42% women consumed alcohol, which was the highest in the Asian region.

Further, statistics also revealed that alcoholic patients suffering from liver cirrhosis had increased from 937 in 2003 to 1217 in 2005. With 13.07 % patients dying, the increase in death from 30% to 40% was a big loss to the nation. Despite the issuance of notification prohibiting the sale of alcohol to minors below the age of 18 across the Kingdom, there was lack of commitment from the concerned authority. The supply of alcohol was in abundance because it was sold at cheap price and was easily available. Measures taken around the globe to control the consumption of alcohol has not been successful. Therefore, in order to strengthen the existing policies, measures to reduce the consumption and ban of alcohol would be formulated and submitted in the 86<sup>th</sup> Session of National Assembly.

The BCCI representative said that the Royal Government had formulated measures and policies to control the sale and consumption of alcohol in keeping with the resolution of the 53<sup>rd</sup> Session of National Assembly. However, these measures and policies were not implemented by the concerned authorities. To reduce the consumption and sale of alcohol, bars were allowed to open only from 1 P.M. and every Tuesday was observed as a dry day. Sale of alcohol to minors below 18 years was also prohibited. The increase in use and consumption of alcohol was attributable to the negligence on the part of the supervising authorities. The Army Welfare Distillery Project was the only major alcohol producing factory in the country and the ban and control of alcohol in the country would not have any implication to the distillery since maximum of its product were exported.

The Home and Cultural Affairs Minister said that alcohol was to be blamed for unethical social behaviour and lack of respect to the elders. The control and ban on alcohol through enforced laws would only increase illegal sales like in other countries.

The Minister informed that with 5,52,996 population and 3,133 bars in the country, it implied that for every bar, there were 176 customers.

Henceforth, taxes on alcohol products should be increased and bar license should be issued only on the recommendation of the DYT. Renewal of bar license should be examined by the GYT and then submitted to the DYT for approval since this system would drastically control the use and consumption of alcohol.

The Agriculture Minister said that production of maize was the highest compared to other grains in the country and were mostly cultivated in the eastern region. However, large amount of grains were damaged by pests and lack of storage facilities. The grains were brewed into alcohol and served as an integral part of social life. In order to prevent wastage of grain and encourage brewing of better quality alcohol like the popular Japanese *Saakee*, the Agriculture Ministry approached the government of Japan and discussions was in progress to set up a distillery unit in the eastern region for the production of quality local *Ara*. The establishment of such a distillery was not to encourage consumption of alcohol but a measure to produce healthy alcoholic drink.

The National Assembly noted that Bhutan was recognized for successfully fulfilling the goals of World Health Organization and had resolved to ban the sale of tobacco in the country. It was resolved that the concerned ministries and agencies should extensively study and formulate appropriate measures to control the sale and use of alcohol in the country and submit in the next session.

The deliberation on control and ban of sale of alcohol concluded on June 26, 2006.

### **13. Need for Sanitation Act**

The people of Talo Geog under Punakha Dzongkhag submitted that in order to promote hygiene and to conserve our pristine environment, the formulation of Sanitation Act has become necessary and therefore, requested for the enactment of a Sanitation Act.

During the deliberation, the members said that the people in some Dzongkhags were organizing cleaning campaigns every week although there was no Sanitation Act. The people were concerned that problems would be faced in waste disposal in the future without a Sanitation Act in place. The Assembly was also reminded that the resolution of the past sessions on the ban of plastic use was not strictly implemented.

It was also observed that there was a lack of coordination between the ministries, departments and city cooperation while providing urban amenities. The people were concerned over the growing number of dogs particularly in the towns. The meeting organised by the National Environment Commission with participation from the Ministry of Work and Human Settlement, Ministry of Health, City Corporation, Royal Bhutan Police and the representatives from the private sector revealed that the major set-back was the absence of an appropriate Act to address the issues as highlighted. In view of its importance, a Sanitation Act should be enacted in the 86<sup>th</sup> Session.

The Minister for Home and Cultural Affairs expressed his appreciation to the people of Paro for organising the cleaning campaign in coordination with the Dzongkhag administration and DYT along the banks of Pa Chu between Chudzom and Drugyal Dzong. The BIMSTEC ministerial meeting delegates were impressed by the clean environment in Paro.

Likewise, the Minister for Health informed that ever since the inception of socio-economic development in the country in 1961, the government has always accorded high priority on the promotion of basic health and sanitation. Therefore, with regard to the health and sanitation as of 2006, the construction of latrines has crossed over 90% and drinking water supply has reached about 85%. Among the various programmes initiated to ensure health and sanitation in 1986 were the construction of latrines, drinking water supply, shed for domestic animals, garbage pit, smokeless stove, paving of house surroundings with stone and construction of prototype rural houses.

According to the *Royal Kasho* issued by His Majesty the King in 1992, a community health care programme was introduced in 1998 to promote hygiene and safe drinking water. The 2004 review of community health care programme revealed that the provision of safe drinking water has immensely improved. The establishment of Public Health Engineering Division under the Ministry of Health has enabled to achieve the millennium development goals.

Moreover, continuous efforts has been made to maintain and sustain the quality of programmes. Many countries in the world had laws relating to public health, food and water but had no separate Sanitation Act. In addition to the Royal Decree on the provision of safe drinking water in 1992, a Municipality Act was enacted in 1999 and rules governing safe drinking water was formulated in 1995. However, the present *Chathrim*s should be studied to ascertain whether a Sanitation Act was necessary and submit a report in the 86<sup>th</sup> Session.

The Deputy Minister of National Environment Commission reported that Bhutan was considered by many countries as an exemplary nation for its rich natural environment. His Majesty the King and the people of the country were awarded the “Champions of the Earth” medal by the World Environment Organisation in recognition of the efforts made in conservation of environment in 2004-2005. One of the primary causes of environmental degradation was attributed to improper waste disposal management system. The government and the people should make concerted efforts to reduce waste to maintain our pristine environment. As per the specified provisions on the disposal of waste in the DYT and GYT *Chathrim*s, it was desirable to educate the people on waste disposal and management system. In the absence of any legislation regarding the imposition of fines on those people engaged in improper disposal of waste, it was imperative for the government to consider the enactment of a Sanitation Act in the next Session.

The Minister for Works and Human Settlement said that according to the Municipality Act of 1999, the City Corporation was providing the garbage disposal and management services. The municipal committee meeting

comprising of representatives of the people and government had also resolved to draft rules based on the Municipality Act. Based on the directives of the council of ministers to formulate a mechanism for maintaining cleanliness, plans have been formulated and implemented and appropriate measures taken to avoid damages while installing urban amenities. The urban developmental activities were executed in accordance with the Municipality Act and it was also essential to draft a Sanitation Act and submit it in the 86<sup>th</sup> Session of the National Assembly.

The National Assembly noted that Bhutan was awarded the “Champions of the Earth” medal by the World Environment Organisation. It was imperative that ministries, departments and private sectors made every efforts to promote hygiene and sanitation. It was resolved that the Ministry of Works and Human Settlement, the Ministry of Trade and Industry, Ministry of Health and the National Environment Commission should study whether it was necessary to review the Municipality Act and submit to the council of ministers. In the event that the formulation of sanitation rules would suffice, the Ministry of Works and Human Settlement should submit a report to this effect in the 86<sup>th</sup> Session of the National Assembly.

The deliberation on the need for Sanitation Act concluded June 27, 2006.

**14. Inability of Bhutan Postal Corporation Limited to reach correspondence to remote areas**

The people of Pemagatshel and Zhemgang Dzongkhags submitted that the financial capacity of Bhutan Postal Corporation Limited covered only the Dzongkhags, Dungkhags and business centres and did not provide their services in the remote places, leading to inequitable economic development. The Royal Government and Bhutan Postal Corporation Ltd. should take measures to provide postal services in the rural areas for the benefit of the people.

Elucidating on the establishment of the Bhutan Postal Corporation Ltd., the Minister for Information and Communications said that Bhutan Post was first established as a Department financed by the government. It

became a corporation in 1996 and met all its expenses without any financial subsidy from the government. Today, Bhutan Post has a network of 47 post offices and 43 postal agencies in the country. Since 2004, the corporation has been incurring huge losses due to competition from other emerging communication means like internet, phone, fax and other facilities. On delivery of mails to the geogs, a sum of Nu.400, was paid to the concerned Geog Gup to collect the mails from the Dzongkhag and deliver them to the addressee in their respective geogs. The Corporation has also increased the payment to the mailmen to Nu.1000 from February this year to ensure that the mails were delivered in remote places. The Royal Government also has plans to set up information centres in each Geog in the country by next year which would improve means of communication for the villages and solve their problem.

The National Assembly resolved that in case the problem of delivery of mails was acute, the government should facilitate and take measures to ensure timely delivery of mails in the remote places. It was also resolved that telecommunication services should be provided in places without communication facilities.

The deliberation on the inability of Bhutan Postal Corporation Ltd. to reach correspondence to remote areas concluded on June 27, 2006.

**15. Ban of Fairs during *Tshechus***

The people of Zhemgang Dzongkhag submitted that during annual *Tshechus* and other religious festivals, the government offices and institutions remained closed to witness and observe our age old culture and traditions. However, the people were more interested in the trade fairs, exhibitions and gambling activities that were organized during the *Tshechus*. Since such activities had negative bearings on the effort to promote our tradition and culture, the National Assembly should take a decision to ban such activities during *Tshechus*.

During the deliberation on the issue, the Councillors, representative of the Bhutan Chamber of Commerce and Industry and the Zhemgang Dzongda

submitted that although the Royal Government was providing fund to perform *Tshechus* to promote our age old culture and traditions, the number of people interested in witnessing the *Tshechus* has been decreasing every year. Such a trend would affect the celebration of annual *Tshechus*. Therefore, all the twenty Dzongkhags should not allow such activities to be carried out during the festivals. Likewise, there was no tradition of organising trade fairs and shows in the past. However, with influence from the border towns of India, the practice of trade fairs and other activities was started. The 47<sup>th</sup> Session of the Assembly had also discussed on this issue and resolved to ban gambling. It was noted that this resolution was not strictly adhered and implemented. The members submitted that the National Assembly should make appropriate recommendation for effective implementation of the past resolutions.

In response, the Minister for Home and Cultural Affairs informed that as per the resolution of the 47<sup>th</sup> Session of the National Assembly, the Ministry had circulated numerous notifications in the past followed by two announcements recently on this issue. However, the trade fairs and gambling activities have been continuing because the Dzongdas, Chairmen of DYT and the community leaders have not acted on the notifications. The government has continued to finance the *Tshechu* celebration keeping in view its importance. The Minister expressed his appreciation to the *Dratshang* for the efforts made in preparing programmes for *Tshechus* celebration considering the welfare of the people and the country. While it was imperative to ban gambling activities according to the past resolutions and government notifications, it was not necessary to stop the people from opening hotels and shops. This issue should be discussed at the Geog, community and Dzongkhag level and taken up at the Annual meeting of Chairperson of the GYT and DYT and a report thereof would be submitted in the next session.

The National Assembly noted that the 47<sup>th</sup> Session of the Assembly had banned organising trade fairs and gambling activities during *Tshechus* as it affected the culture and tradition. The notifications issued by the Ministry of Home and Cultural Affairs have also been ignored. The National Assembly directed the Ministry of Home and Cultural Affairs to discuss

this during the annual conference of the chairpersons of the DYT and GYT and formulate appropriate measures to check such activities during *Tshechus* and submit a report in the 86<sup>th</sup> Session of the National Assembly. The deliberation on Ban on Fairs during *Tshechus* concluded on June 27, 2006.

**16. Afforestation for preserving natural environment**

The people of Chukha Dzongkhag submitted that with the rapid pace of development in the country, the usage of timber and encroachment on the forest land has also increased by manifolds. There was possibility that the continuous encroachment of forest land might turn into barren land. In order to conserve our forest and to keep it sustainable, afforestation should be taken up as much as possible.

Some of the members said that some countries were facing problems of land slides, floods and heat waves because of the depletion of their natural environment. It was therefore important to conserve and protect our natural environment by placing appropriate rules and polices in place. The members also raised their concern over the management of mining. The people were aware that June 2 every year was celebrated as a Social Forestry Day to conserve and protect our forest. Moreover, to encourage mass participation of the people, suitable programme should be formulated to conserve and protect our natural environment.

In response, the Minister for Agriculture said that with the manufacturing of briquettes, firewood extraction has reduced to a large extent. Moreover, bamboos have been identified as substitute for prayer flag poles. To encourage the people to participate in conservation of our forest, social forestry has been decentralized to the Dzongkhags from 2000. Land has also been rented to start a nursery for saplings and identifying barren land in the Southern Dzongkhags was in the process in cooperation with the Forestry Development Corporation. There were plans and programmes to carry out plantation wherever forest has turned into barren land.

Further, it was important to carry out proper study on the possibility of identifying a day to mark as the forest conservation day to improve the understanding of the importance of proper utilisation and management of our forest by the community. The Ministry of Agriculture should first prepare a project and discuss it with the government. The Minister on behalf of the government and the Ministry of Agriculture, expressed his gratitude to the people for their concern on the importance of conservation of the forest as it was the main source of income of the country.

The National Assembly commended the people for raising their concern on the preservation and protection of the natural environment. As one of the important policies of the government was to protect and conserve the natural environment, the Ministry of Agriculture should implement the policy and programmes already prepared without any delay. The advantages of introducing a day to celebrate as the conservation of forest day should be studied and accordingly the matter should be taken up with the government.

The deliberation on Afforestation for preserving our natural environment concluded on June 27, 2006.

**17. Exemption of labour contribution in construction of power tiller roads**

The people of Khoma Geog, Lhuentse Dzongkhag submitted that the government allocated budget for the construction of farm and power-tiller roads in rural areas to boost socio-economic development in the Dzongkhag. The people were required to contribute labour in construction of power-tiller road. The people submitted that the construction of power-tiller roads should be given on contract like the construction of farm roads as *Kidu*. Some members submitted that the Ministry of Agriculture should scrutinize the quality of road construction when taking over the farm or power-tiller roads from the contractors to ensure that the government fund was not wasted and that the road was useful to the people.

The Minister for Agriculture said that one of the triple gem concepts of the policy of agriculture was the importance of expansion of transportation services. Accordingly, the construction of 378 km of farm road of the 587.63 km earmarked for the Ninth Plan has been successfully completed. A request was also submitted to the Ministry for additional 455.5 km of farm road increasing the total length to about 1043 km in the Ninth Plan. The Minister informed that the government has secured funds to construct 734 km of farm roads.

The Ministry of Agriculture, keeping in view the importance of farm roads had requested the Government of India to provide fund to construct farm roads. The Government of India has agreed to fund the construction of 100 km of farm road. The construction of about 208 km of farm roads would have to be taken up in the Tenth Plan as it was not possible in the Ninth Plan due to fund constraints. The Minister said that out of the planned 617 km of power-tiller road, fund for 185 km was available and additional fund was required for the construction of the remaining 432 km.

Since the people were involved in many development activities in the villages, the people were not able to accord priority to the construction of farm roads. In view of the inability of the people to provide labour force, the government had awarded contract for the construction of farm roads for the welfare of the people. A memorandum of understanding was signed between the Ministry of Agriculture and the Dzongkhag administrations which stated that once the construction of farm roads was completed, the Ministry of Agriculture would hand over the farm road to the Dzongkhags and the management and minor renovation works of the farm road would be carried out by the people themselves while major renovation would be carried out by the Ministry of Agriculture. The Ministry of Agriculture was in the process of preparing a manual for the maintenance of farm roads, which would be distributed to all the Dzongkhags once it was finalized.

According to the policy of the Ministry of Agriculture, the people worked in close cooperation with the Ministry and contributed labour force while the government provided equipment, materials, and skilled labour and

technical services during the construction of farm roads in the past. Moreover, the Ministry provided extra budget in the event the fund provided for the construction of farm roads in the geogs by the donor agencies was not sufficient. The Minister informed that the power-tiller road in the remote geogs and cheogs would be constructed free of cost. In case 3-4 km of farm road was required to be constructed from the national highway, the government provided machineries and equipment while the people were required to provide fuel and meet other expenses. In the event, the government provided fuel and machinery, the people would have to provide free labour. It would be very difficult to construct power tiller roads without labour contribution from the people and fulfil their needs as per the policy of the Ministry of Agriculture.

The Minister said that it was the responsibility of the Chairmen of the Geog Yargay Tshogchungs and the Dzongkhag Yargay Tshogdu to examine the quality and standard of the farm road when the Dzongkhag took over from the contractors. The Ministry was also in the process of building bailey, suspension and wooden bridges with help from the World Bank. Further, as it was not in the policy, blacktopping of feeder roads was not possible to be carried out by the Ministry. However, base course work on the farm roads would be carried out wherever deemed necessary.

The National Assembly commended the Ministry of Agriculture for successfully formulating and implementing plans and policies considering the welfare of the people. In order to improve the living standard of the people dependent on agriculture, the Ministry of Agriculture should continue to carry out their plans and policies as desired by the people.

The deliberation on exemption of labour contribution in the construction of power tiller-road concluded on June 27, 2006.

**18. Strengthen the three branches of government before the institution of Parliamentary Democracy**

The people of Limukha and Shelnga geogs under Punakha Dzongkhag submitted that the problem of abuse of power and emergence of power politics related problems may arise once parliamentary democracy was

instituted in the country. In order to ensure independent and clean functioning of the three branches of government without fear or favour, it was important to provide adequate remunerations and facilities.

Some of the members said that His Majesty the King and His Royal Highness the Chhoetse Penlop has always advocated that corruption in a small country like Bhutan would pose risk to the sovereignty and the security of the country. It was important to review the travel and daily allowances of both the civil servants and the elected representatives. The members suggested that in order to benefit the lower level civil servants, salary revision should not be based on percentage. It was necessary to strengthen the local government, offices of the constitutional posts and the judiciary before the launching of the Constitution.

The members also raised their doubts on the fairness of judgement passed by the judiciary because the cases were not reported in the Assembly. Although all the civil servants were equal, there were disparity among civil servants working in the Dzongkhags and the ministries. Therefore, pay revision should be based on the prevailing market rates while doing away with other compensations. In case salary revision was not possible, then compensation should be revised by the government. Moreover, the government should assess the present status of the judiciary and provide support wherever required. Since the Judiciary was not independent from the Royal Civil Service Commission, the government should study the problem faced in strengthening the Judiciary.

Further, it was necessary for the Royal Audit Authority to review the benefits and detriments of having to arrange transportation, food and accommodation for the auditors while they were on tour in Dzongkhags. It was also crucial to establish a budget committee in the National Assembly. Although, everyone was equal before the law, there was discrepancy in the delivery of justice. The travelling and daily allowance entitlement of the community leaders in the Dzongkhags should also be streamlined and made uniform.

The Prime Minister said that the three branches of the government have been functioning on the principles of separation of power which has also been clearly enshrined in the Draft Constitution. In keeping with His Majesty the King's command, a Good Governance Plus document consisting of 231 activities was formulated and distributed in 2005.

The Good Governance Plus document was prepared primarily to ensure peace and prosperity through efficiency, accountability, transparency and professionalism in the delivery of public services. Conscientious efforts were being made to strengthen the government before the institution of parliamentary democracy. While the government has always considered the importance of providing adequate facilities and remunerations to the civil servants and the community leaders, the establishment of Pay Commission was also on the pipeline.

With the separation of power in the 81<sup>st</sup> Session of the National Assembly, the three branches of the government have been functioning independently. The National Assembly resolved that all matters relating to pay should be dealt by the Pay Commission. It was also hoped that the concerned ministries would consider the issues raised by the people and generate substantive results through effective implementation.

The deliberation on the strengthening of the three branches of the government concluded on 27<sup>th</sup> June 2006.

## **19. Transfer of Civil Servants**

The people of Chukha Dzongkhag submitted that some of the civil servants had joined civil service and superannuated from the same station. Such a situation could lead to corrupt practices. Therefore, to curb corruption, civil servants should be transferred within three to four years according to the Civil Service Rules and Regulations.

Some of the members stated that it was important to transfer civil servants after few years because that person may tend to involve in corrupt practices after some time. In the event that a person who has been stationed in the same office for a long time was suddenly transferred, the

people are left in doubt. Moreover, problems were also encountered during auditing of the finance and administrative division if they have been working in the same office for a long time. Therefore, it was imperative that civil servants be transferred from time to time.

In response, the Minister for Health explained that the main objective of the new position classification system was to provide equal pay for equal value of work. This meant that employees were paid according to their capabilities and their qualification. The position classification system does not differentiate among the haves and have-nots. The amended Bhutan Civil Service Rules and Regulation 2006 included a provision whereby the civil servants should be transferred every five years. Moreover, a civil servant under the administrative cadre in grade six who has served in the rural areas had more chances to be promoted to grade five in the same cadre.

One of the councillors said that it was important that all the civil servants should abide by the Bhutan Civil Service Rules and Regulations. However, there were some civil servants who did not go on transfer considering their own interest against the Civil Service Rules and Regulations.

The National Assembly resolved that civil servants should be transferred every five years according to the Bhutan Civil Service Rules and Regulations. Since the Royal Civil Service Commission was an independent office, it would continue to carry out the transfer and promotion of civil servants according to the amended Bhutan Civil Service Rules and Regulations, 2006.

The deliberation on the transfer of civil servants concluded on June 27, 2006.

## **20. Eradication of Corruption**

The people of Ura and Chumey geogs under Bumthang Dzongkhag submitted their concern on the increasing trend in corrupt practices in the

country. It was important to eradicate corruption before the endorsement of the Constitution.

Some of the members submitted that the government supported as well as provided opportunities to people involved in corrupt practices instead of taking action against them. Since such act tantamount to abuse of power, the government should provide a clear explanation on this issue.

The Minister for Works and Human Settlement said that although the MoWHS was responsible in the implementation of the laws and policies relating to contract works, it was not involved in tendering of contract works of the ministries, department and agencies. Based on reports, the ministry has studied the functioning of the contract industry for three years. Although many people speak of corruption, no one has been able to prove and substantiate it.

Corruption in the contract business could be minimized when all the people worked together to investigate subletting of contact licenses. The collusion between contractors and the contracting agency would be dealt according to clause 17, Section 2.1 J of the financial manual. It was submitted that sections pertaining to control of collusion between contractors was also specified in the procurement manual.

The Prime Minister said that under the command of His Majesty the King, the Anti-Corruption Commission was established on 31 December 2005. As per Article 26 of the Draft Constitution, the commission was envisioned to be an autonomous organisation. It was reported that fight against corruption in the country would be dealt in five different approaches. It was important for the people to work together and take immediate action to prevent and eradicate corruption in the country. On behalf of the council of ministers, the Prime Minister expressed his appreciation to the members for their concerns and suggestions to eradicate corruption and urged the people to directly report any cases of corruption without fear or favour.

The National Assembly noted that the government and the people should work together to keep the country free of corruption. The Ministry of

Works and Human Settlement and the Ministry of Trade and Industry should carry out investigation on the issue of trade and contract licences and suitably deal with those involved in corrupt practices and abide by the existing rules and regulations while issuing new licences. Since corruption was prevalent not only in the ministries but also in the Dzongkhags, geogs and the community, the Assembly resolved that all the people should collectively work towards eradication of corruption in the country.

The deliberation on eradication of corruption concluded on June 28, 2006.

## **21. Rural Timber Issuance**

The people of Thimphu and Zhemgang Dzongkhag submitted that although the government has been providing rural timber for the construction of houses, timber permit issued once every year was causing inconvenience to the people. Therefore, the people requested that the issuance of timber permit be liberalised and issued when requested by the people.

In response, the Agriculture Minister informed the Assembly that timber permit was approved on time ever since the Dzongkhag Yargay Tshogdu was entrusted with the responsibility of granting timber permit for the people in the villages. Considering the welfare of the people, His Majesty the King has granted timber as *Kidu* to the people for the construction of houses. Since this system existed in Bhutan only, the people should follow the existing practice in order to sustain the scheme of granting timber on *Kidu*.

Moreover, it should be noted that the government has to provide timber for the construction of houses to those people who lived in squatter houses to improve their living standard. For the welfare of the people, the Ministry had agreed to provide timber according to the availability of timber in the past sessions. The Ministry has also been making efforts in providing timber to the people on time. The Minister pointed out that there were about 443 cases in a year whereby the people sold timber at higher rates to private individuals after availing timber permit at a lower price. Therefore, it was important for the people to reflect on this issue carefully

before holding the government accountable. The Minister submitted that the Ministry was not in a position to change the existing system of issuance of timber as submitted by the people.

The National Assembly resolved that since it was important to maintain 60% forest coverage, timber for rural house construction should be issued in accordance with the Forest Act, the past resolutions of the National Assembly and the existing rules of the Ministry of Agriculture.

The deliberation on the issuance of rural timber concluded on June 28, 2006.

## **22. Issue on Special Audit Report**

The people of Chukha Dzongkhag submitted that after the Annual Audit Report published, the action taken by the court or by the concerned ministry should be elucidated through the media so as to clear any doubts of the people. Therefore, the people requested that the Audit Reports should be comprehensively published in the Kuensel and submitted to the National Assembly.

In response, the Prime Minister stated that the procedures for submitting Audit Reports were clearly mentioned in the Audit Bill of Bhutan, 2006. According to the Bill, the Audit Report should be submitted to His Majesty the King, the Prime Minister, the Chair person of the Anti-Corruption Commission and the Chairperson of the Royal Civil Service Commission and clearly mentioned the system of conducting Annual Audit and reporting.

During the discussions on the Special Audit Report, the cases pertaining to the Semtokha and Chukha Dzongs which figured issues pertinent to the government and the people were also considered. After a detailed deliberation, the National Assembly resolved that since the issue of Annual Audit Report by the Public Accounts Committee of the National Assembly was already discussed and decided, a separate decision was not

required. Secondly, on the issue of Special Audit Report on Semtokha and Chukha Dzong construction, the Public Accounts Committee would submit a report after verification in the 86<sup>th</sup> Session and a decision of the Assembly would be submitted to His Majesty the King. Henceforth, the reporting of the Annual Audit Report would be carried out according to the Audit Act of Bhutan, 2006.

The deliberation on the Special Audit Report concluded on June 28, 2006.

### **23. Revision of National Wage Rate**

The people of Lhuentse and Trongsa Dzongkhags submitted that it was difficult to recruit labourers for implementation of developmental works at the current national wage rate. In order to generate income and employment for the increasing number of unemployed youth, promote balanced economic development and to achieve the goal of poverty alleviation, the people requested that the existing daily wage rate be revised.

Some of the members submitted that in order to improve the living standard of the people and to achieve the goal of poverty alleviation, the national wage rate should be revised. Although, the abolishment of the system of Dudom, Chunidom and Kangdom has been a boon to the people, about 90 % of the poor people would be benefited incase the national wage rate was revised. Moreover, the presence of many elderly people in the villages posed a problem in contribution of labour force in the Dzongkhags as such the people requested that the national wage rate should be revised.

The members also submitted that the revision of the national wage rate should be uniform and should also apply to skilled workers like carpenters. The unemployed youth are not interested in working in private enterprise because they were under paid. In view of this, the government should study the revision of wage rate and submit a report in the next session of the Assembly.

In response, the Minister for Labour and Human Resources said that the Ministry was entrusted with the responsibility of providing work for the unemployed youth and look to the welfare of the national workforce. The national wage rate was fixed at Nu.50 per day in May 1994. The rate was also fixed for four other levels of day workers at Nu.56, Nu.62, Nu.75, and Nu.87 a day. The rate was revised in 2000 to Nu.100, Nu.110, Nu.120, Nu.135 and Nu.150 a day respectively. For important works like the renovation of Paro Taktsang and Punakha Dzong, workers were provided the benefit of 50% extra. The Minister said that the advantages and the disadvantages of revising the national wage rate needed to be understood in its correct perspective and requested that the current national wage rate be kept the same till the end of the Ninth Plan.

The National Assembly resolved the government should study the possibilities of revising the wage rate after the Ninth Plan and until then the current wage rate would remain unchanged.

The discussion on the revision of national wage rate concluded on June 28, 2006.

#### **24. Registration of land for Lhakhangs and monasteries**

The people of Dagana, Trongsa and Paro Dzongkhags submitted that the construction of Baap Nyinzer Lhakhang was suspended because the land was not registered during the 84<sup>th</sup> Session. The Ministry of Home and Cultural Affairs had circulated a letter No.Ka(1)/6/06/1254 notifying that all developmental activities on government land should be suspended. This decision has affected the ongoing renovation works of the old Lhakhangs and Goendays built by our ancestors on unregistered land. The people requested that clearance be granted to continue the renovation works on those Lhakhangs and Monasteries which had approved budget and included in the plan.

During the deliberation, some members submitted that new construction of Lhakhangs on unregistered land should be stopped while renovation of Lhakhangs already approved by the government should be allowed. According to the resolution of the 84<sup>th</sup> Session, the Ministry of Home and

Cultural Affairs was directed to review the submission made by the people on the renovation of Lhakhangs and Goendeys and grant approval subject to budget availability. The past Session had only discussed the issue of construction of Drasha at Barp Nyinzer Lhakhang and had not decided to discontinue the renovation of Lhakhangs and Goendeys.

The Minister for Home and Cultural Affairs informed the Assembly that the notification was based on the decision of the 84<sup>th</sup> Session of the Assembly. The construction of Drasha at Baap Nyzer should not be considered unlawful because the government had provided funds for the renovation of Lhakhangs and Goendeys without land registration till date. As per the delegation of authority to grant government land for development activities by His Majesty the King to the council of ministers, land has been granted without any hindrance. It was crucial to continue granting government land for the planned and budgeted infrastructural development. The circular requiring the Lhakhangs and Goendeys to register their land according to the law in close cooperation with the concerned organisations should solve the problems highlighted by the people of Dagana. It was reported that the list of Lhakhangs and Goendeys without *Thrams* in the country were submitted to His Majesty the King and has been accordingly approved. Meanwhile, appropriate strategies should be developed to continue renovation of Lhakhangs and Goendey included and budgeted in the plans.

The National Assembly resolved that the registration of land belonging to Lhakhangs and Goendeys should be carried out in consultation with the concerned ministries upon submission to His Majesty the King. However renovation and extension of Lhakhangs and Goendeys should be carried out in collaboration with Ministry of Home and Cultural Affairs.

The deliberation on registration of Land for Lhakhangs and monasteries concluded on 28<sup>th</sup> June 2006.

## **25. Issues on Judiciary**

The people of Thimphu Dzongkhag and the Thimphu Municipality submitted that once the Constitution was adopted, the judiciary would

have to safeguard, uphold and administer justice fairly and impartially without favour or undue delay so as to inspire trust and confidence on the people. In order to execute their functions and duties, the Judiciary's annual budget, post and promotions of its personnel should be carried out by the judiciary.

During the deliberation on the issue, some members submitted that it was imperative to strengthen the Judiciary because it was a place to redress their grievances and seek justice. Although the three branches of the government were functioning independently, the budget and the staffs were under the Royal Civil Service Commission. As such the Royal Government should consider the possibility of de-linking the employees of the three branches of the government from the Royal Civil Service Commission.

The Finance Minister said that a Public Accounts Bill which has included the provisions of the financial budget of the three branches of government was being drafted and would be submitted in the next Session for enactment. He informed the members that in other countries, any disagreement on the budget of the Judiciary by the Ministry of Finance was submitted to the Parliament for final decision. The Minister expressed his concern that problems may arise in the event the three branches of the government had financial autonomy considering the small size of our country.

The Health Minister said that according to the past resolutions of the Assembly, the Civil Service Commission committee was formed in October, 2003 with members from all the three branches of the government. The Royal Civil Service Rules and Regulations 2002 was reviewed in 2006 which has benefited all the civil servants and till date no problem arose. In order to strengthen the RCSC, a Civil Service Act should be submitted in the next session

The National Assembly resolved that the employees of the three branches of the government would be governed by the Royal Civil Service Rules and Regulations for the time being. The council of ministers should

discuss allocation of budget according to the requirement of the other branches of the government.

The discussion on issues relating to the judiciary concluded on June 28, 2006.

## **26. Rural-Urban Migration**

The people of Punakha Dzongkhag submitted that in keeping with the changing times, the rural population migrate to the urban areas because of better service facilities available and the advantages of not having to contribute *Zhapto Lemi*. It has also become very difficult to collect land and house taxes due to migration. Therefore, to discourage the people from migrating, the existing system of *Zhapto Lemi* in the rural areas should be reviewed. However, the owner of the land and houses should be mandated to contribute equal share of *Zhapto Lemi* in the geogs and also fix certain years after which their property would be seized in the event people failed to pay land and house taxes.

The members submitted that one of the main reasons why the people migrated to the urban areas was the availability of better services facilities and also because they did not have to contribute *Zhapto Lemi*. There were many people living in towns who had appointed caretaker to take care of their house and land in the village. The people living in the towns who had their house and land in the villages was required to contribute *Zhapto Lemi* for development works in the geogs according to their house and land registration number till the end of the Ninth Plan. It was suggested that the government should acquire the land after certain number of years in the event if the people failed to pay taxes. According to His Majesty the King's command, the caretakers of the Lhakhangs and Chortens in the villages were exempted from contributing *Zhapto Lemi*. While the community leaders and the people living in urban areas did not contribute *Zhapto Lemi*, it was the poor people who have to carry out the works. Therefore, a scheme should be developed to involve the people having their land and houses in the villages but living in the towns to participate in developmental works in the villages.

The people expressed their gratitude to the Ministry of Agriculture for providing essential agricultural support. They suggested that in order to mitigate the problems of rural-urban migration, the concerned ministers should travel to the villages to get first hand information on the problems faced and provide required facilities. This would encourage capable persons to stay back in the villages and contribute to the socio-economic development in the villages.

Due to rural-urban migration, problems were being faced while implementing the development activities according to the DYT and GYT *Chathrim*, 2002 and the Rules of Procedures 2004. Therefore, the members suggested that the Geog should be given the authority to penalise and punish those in violation of the Act.

The members also submitted that it was not only the villagers who left for towns but also the unemployed youth seeking job. To curb such migratory trend, the Ministry of Education should introduce agricultural programmes in the schools at all levels so as to instil in them the interest in agricultural work. In addition, the Ministry of Agriculture should provide agricultural machineries to facilitate those interested in agricultural works. The people also submitted that they were regularly paying their taxes according to government rules. However, the civil servants, businessmen and personnel of three armed forces did not pay taxes on time. Therefore, an appropriate policy should be formulated to solve the problem faced by the community leaders in the collection of taxes.

In response, the Prime Minister said that on the issue of collection of taxes and the contribution of *Zhapto woola* for development activities in the geogs, the Ministry of Home and Cultural Affairs would discuss the issue during the Annual meeting of Chairmen of the GYT and the DYT. It was also important to pay taxes on time by the people irrespective of whether living in the villages or in the towns.

The National Assembly resolved that since the issue of rural-urban migration was thoroughly discussed in the 84<sup>th</sup> Session, no further deliberation was required. The concerned ministries were directed to continue their efforts in mitigating the problem of rural-urban migration.

Keeping in view the welfare of the people in the villages, the Ministry of Home and Cultural Affairs was directed to discuss the issue of collection of land and house taxes during the annual conference of the chairperson of DYT and GYT and submit a report in the 86<sup>th</sup> Session.

The deliberation on rural-urban migration concluded on June 29, 2006.

**27. Inspection of Bhutanese Armed forces vehicles and Imtrat/Dantak vehicles at the police check points**

The people of Paro Dzongkhag submitted that in order to uphold the laws of the country, the vehicles of the armed forces and the Imtrat/Dantak should be inspected like any other vehicles at the police check points. The people were concerned that these vehicles may be carrying people without valid travel documents and also other unauthorised goods including timber and contraband items like cigarettes.

The people were in doubt that the armed forces and the Imtrat/Dantak vehicles were transporting meat and other banned items into the country especially during the observation of religious months. This issue was discussed in the Assembly in the past and the vehicles of the armed forces were checked by the military police (MP) but such a practice was discontinued these days.

Although this issue was discussed in the 78<sup>th</sup> Session of the Assembly, concerns were raised that the Imtrat/Dantak vehicles were carrying illegal goods. The government was not aware of such activities as these vehicles were not checked at the police check points. Therefore, it was suggested that the army should appoint military police to inspect the military vehicles like in other countries. While it may not be appropriate to check vehicles of the armed forces, the representative of the armed forces should consider the concerns raised by the people and study the possibilities of checking the vehicles of the three armed forces and the Imtrat/Dantak.

The Major General expressed his gratitude to the people for raising the concerns keeping in the mind the security and sovereignty of the country. He reminded the Assembly that internationally, the vehicles of the armed

forces and those who assisted the country were never checked . The vehicles of the armed forces were inspected only by the military police to maintain military secrecy. While Dantak/Imtrat has been assisting the country since 1962, the Imtrat was coordinating the fund provided by the Government of India and the Indian forces to train Bhutanese armed forces and Dantak was assisting in the socio-economic development of the country particularly in building roads. Therefore, if their vehicles and people were inspected, it would affect the existing friendly relations between the two countries. However, the Major General said that Imtrat and Dantak personnel would be apprised of the concerns raised by the people in the Assembly including the existing rules and restrictions in the country and seek their cooperation.

Although, the officers of the Dantak/Imtrat were aware of the rules and regulations, the personnel working for them were violating the rules. The inspection of the vehicles of the three armed forces would be strengthened through appointment of military police. However, the Imtrat/Dantak vehicles should be exempted from inspection at the police check points considering the friendly relations between the two governments.

The National Assembly resolved that the three armed forces should reflect on the submission made by the people while carrying out their responsibilities. As submitted by the Major General, military police should be appointed to inspect the vehicles of the armed forces. The Assembly directed the armed forces to inform Dantak/Imtrat on the deliberation in the Assembly and apprise them on the rules and regulations and seek their corporation on this issue.

The deliberation on the issue of inspection of vehicles of the three armed forces and Imtrat/ Dantak concluded on June 29, 2006.

**28. Report on Amendment of Marriage Act, 1996. (Legislative Committee)**

In accordance with the resolution of the 84<sup>th</sup> Session of the National Assembly, the Legislative Committee submitted the report on the

amendment of the Marriage Act of 1996. Based on the submission made by the people of Punakha in the 84<sup>th</sup> Session, the National Assembly had resolved that the Legislative Committee should amend the provisions relating to child support in consultation with the Judiciary and submit a report in the 85<sup>th</sup> Session. The Chairman of the Legislative Committee informed the Assembly that in compliance to the resolution of the 84<sup>th</sup> Session, the Legislative Committee had amended provisions of the Marriage Act of 1996 relating to *Sothue* on 26 April, 2006 in consultation with the Judiciary. A copy of the amended provision was also distributed to the members for deliberation.

The Chairman of the Legislative Committee said that according to the amended provision which was to be inserted as Section KHA-8-1-3-CHHA, either parent whether paying or receiving child support (*Alu Sothue*) could appeal to the court to change the amount of allowance provided the income level of the parent paying the allowance changed. In the event the income of the parent paying child support decreased, he or she could appeal to the court to reduce the amount of *Sothue*. Likewise, either parent could appeal to the court in case the income of the parent paying the *Sothue* increased.

The National Assembly adopted the amendment as Section KHA-8-1-3-CHA of the Marriage Act of 1996 on June 29, 2006.

## **29. Supplementary on Rural Credit**

During the deliberation on point 6 of the Zhung Kalyon report regarding the reduction of rural credit interest rate, it was resolved that the issue would be further discussed during the deliberation on point 6 under miscellaneous issue on June 29, 2006 along with the discussion on the increase in the amount of existing rural credit and of grant collateral free loans to the poor landless farmers.

Responding to the submission, the Finance Minister reported that about 91% of the rural credit portfolio of the Bhutan Development Finance Corporation (BDFC) was below Nu.50,000. Therefore, the reduction in the interest on the rural credit to 10 % within a period of five years would entail a total loss of about Nu.108 million. While average interest rate would be 11.05 % to break even, the average interest rate would need to be settled at 12.32%. Considering the situation of rural credit programmes, it would not only incur a loss of more than Nu.35 lakhs but also adversely affect the sustainability of the rural credit programmes.

During the deliberation, some of the members said that Small Individual Loan (SIL) should be sanctioned without any collateral. Although the Group Guarantee Lending Scheme (GGLS) where collateral requirement was not applied has been beneficial to the people, it was however possible that the group may not be sanctioned loan to the defaulter. The introduction of new system requiring security clearance certificate for availing rural credit was creating hassle to the people. Therefore, the people submitted that such a mandatory procedure may be waived off. It was important that capable rural credit assistants be appointed in the Dzongkhags and to consider the sufficiency of community leaders who were required to guarantee rural credit availed by the people. Moreover the members submitted that they should not be held responsible if the BDFC has to close down.

The Prime Minister submitted that while it was necessary for the government to support the farmers, the members should consider the issue as per the submission made by the Finance Minister. In addition, the Health Minister said that the collateral requirement was aimed at instilling a sense of responsibility for timely repayment of the loan which would benefit other activities.

The Finance Minister reported that the percentage of non performing loans in our country has reached 28 % which was one of the highest in the world. However, the government in the interest of the people has been delivering all possible credit services. The provision of collateral free loan would create lots of problems in the future. Although the government

availed external loans at the interest rate of 2-3 %, it was difficult to avail such loans due to minimum rate of interest in the rural credit programmes. While it was easier to avail project based external loans, it was difficult to get loans for rural credit programmes. However, such programmes were being continued through previous loans availed through FAO and IFAD.

The government has availed internal loans of Nu.50 million at the interest rate of 5 % which was invested into rural credit programmes. With effect from last year, the government has initiated a saving scheme in the rural areas and the total amount of savings has reached to about 20 million to which the government has to bear 7 % of deposit liability. Therefore, it was important for the members to consider the sustainability of the rural credit programmes. It was also reported that collateral requirement was one of the norms of any financial credit programmes.

The National Assembly resolved that Ministry of Finance should take initiatives to avail external assistance to introduce programmes for the benefit of rural communities and the rural interest rate would be reduced from 15 % to 13 % and 14 % to 12 % as submitted by the Finance Minister.

The deliberation on the reduction of rural interest rate concluded on June 29, 2006.

## **XI. ENACTMENT OF ACT**

### **1. The Office of the Attorney General Bill of Bhutan, 2006**

During the deliberation, on the endorsement of the Office of the Attorney General Bill of Bhutan, 2006, the Chairman of the Legislative Committee presented the background, aims and objectives of the Bill. The Chairman submitted that although many years have passed since the establishment of the Office of Legal Affairs, there was no Act governing the Office. Therefore, His Majesty the King had commanded the Office to draft an Act. The drafting of the Bill for the Office of the Attorney General was initiated by the Office of Legal Affairs as per the Royal Command. The Bill for the Office of the Attorney General has been drafted to promote

and impart justice through fair, impartial and just proceedings and to uphold the rule of law, natural justice and Constitution.

While deliberating on the Bill, most of the clarifications sought by the members of the Assembly including the ministers were answered by the Chairman and members of the Legislative Committee. Some of the members submitted that the word “Office” in Section 22 of Chapter 4 should be deleted.

The National Assembly resolved to delete the word “Office” in Section 22 and rephrase the Section as **“The term of the Attorney General shall be for five years”**. The National Assembly passed the Office of the Attorney General Bill 2006 on 30 June, 2006.

## **2. The Audit Bill of Bhutan, 2006**

The Auditor General of Bhutan made a brief presentation on the aims, objectives and background of the Audit Bill. The Auditor General submitted that the Bill was drafted to ensure independence of the Audit Authority in carrying out its functions and responsibilities and to ensure proper utilization of the public resources. The Bill was drafted in accordance with Article 24 of the Draft Constitution which provided that the Audit Authority shall function in accordance with the Audit Act. The foundation and basis of the Bill was the Kasho of His Majesty the King, the Audit Rules and Regulations of 1989 and the Draft Constitution of the Kingdom of Bhutan. The Auditor General informed the Assembly that one of the main objectives of the Bill was to enhance accountability and proper utilization of public resources through effective auditing and reporting without fear, favour or prejudice. This important Bill was reviewed by the Lhengye Zhungtshog and the Legislative Committee. Therefore, it was imperative for the National Assembly to adopt this important Audit Bill.

During the deliberation on the Audit Bill, the Auditor General and the Chairman and Deputy Chairman of the Legislative Committee elucidated on all the clarifications sought by the members.

After a lengthy deliberation on the Audit Bill, the National Assembly resolved to make the following amendments:

Since Section 5 of Chapter 2 was a reproduction of the provision of the Draft Constitution, corresponding amendments to this Section shall be effected if any change to the provision of the Draft Constitution is made in future.

Section 8 of Chapter 2 was amended as **“The Oath or Affirmation shall be taken before His Majesty the Druk Gyalpo or the Chief Justice of Bhutan upon Command of the Druk Gyalpo”**

The word **“Lotteries”** was inserted after the word **“contributions”** in Section 39 (h) of Chapter 4.

Section 83 was amended as **“The Parliament shall appoint independent auditors drawn from professional firms or bodies not within the audit jurisdiction of the Authority to audit the annual accounts of the Authority”**.

Sub-section 85 (a) was amended as **“Shall submit a report on any matter related to the operations of the Authority without fear or favour or prejudice to the Parliament”**.

Sub-section 85 (b) was repealed in place of which Sub-section 85 (c) was inserted.

In Section 103, the Dzongkha word **“Teru”** was to be deleted and in its place a proper word from the Dzongkha Dictionary of the Dzongkha Development Authority was to be inserted.

The National Assembly endorsed the Audit Bill of Bhutan on June 30, 2006.

### **3. The Anti-Corruption Bill, 2006**

Presenting on the background, aims and objectives of the Anti-Corruption Bill, the Chairperson of the Anti-Corruption Commission said that the Bill

has been drafted in keeping with His Majesty's vision of a democracy that enshrines the philosophy of Gross National Happiness, responsive to people's aspirations and needs and that enhanced transparency and accountability of governance. One of the main objectives behind the Anti-Corruption Bill was to curb, combat and root out corruption through timely and effective checks on private utilization of public funds and persons engaged in unauthorized use of public resources. Moreover, Article 26 of the Draft Constitution provides for the establishment of the Anti-Corruption Commission as an independent authority with adequate powers, resources and clear roles and responsibilities with strict accountability. Therefore, the Bill has been drafted with a view to build a strong foundation to effectively carry out the functions and responsibilities before the adoption of the Constitution.

The National Assembly resolved to make the following changes:

**1. Oath or Affirmation**

The phrase “ before His Majesty the King or the Chief Justice of Bhutan” in Section 13 was amended as “ **before His Majesty the King or the Chief Justice of Bhutan upon Command of His Majesty the King**”.

**2. Accountability of the Chairperson and Members**

The word “*Chog*” in Dzongkha in Section 14 was to be replaced by an alternate Dzongkha word.

**3. Resignation and Removal**

After deletion of the word “**his**”, Section 20 was to be amended as “**The Chairperson or any member of the Commission may resign from office before the expiry of term by submithating before His Majesty a signed notice of resignation**”.

**4. Selflessness**

The subtitle of Section 36 in the Dzongkha text was amended as “**Rang doed loe tang**”.

#### **5. Conflict of Interest**

The Dzongkha text of Section 41 (a) was to be amended in line with the amendment made to Section 32 (a) of the Audit Bill of 2006.

#### **6. General and Special Duty of Cooperation**

Section 94 was amended as **“In accordance with the Constitution, the Commission, within its scope of activity under this Act, is entitled to cooperation from any public entity or any person”**.

#### **7. Offence**

Section 111 was amended as **“A person who has offered or received.....shall not be liable for any penalty”**.

#### **8. Miscellaneous**

The Dzongkha word **“Khorai”** in Sections 130 and 131 of the Dzongkha text was changed to **“Rangsoi”**.

The National Assembly passed the Anti-Corruption Bill of Bhutan 2006 on July 3, 2006.

### **4. The Bhutan Information, Communications and Media Bill, 2006**

Prior to the deliberation on the Bhutan Information, Communications and Media Bill, 2006, the Minister for Information and Communications made a brief presentation on the aims, objectives and background of the Bill. The Minister informed the Assembly that the government, recognizing the importance and the role of ICT and media in developing the nation, has been rapidly promoting the use and application of ICT in the country. Therefore, the Bill has been drafted to provide a whole range of new services to all the Bhutanese, especially in the remote and rural areas of the country. It was also the aim to facilitate privatization and competition in the establishment of ICT and media facilities and services and to give new statutory authority to the Ministry to regulate ICT and media facilities and encourage fair competition among all players, both in the public and private sectors.

Deliberating on the Bill, the National Assembly resolved to make changes to the Bill as follows:

The sentence **“Royal Government of Bhutan, Thimphu: Bhutan”** at the bottom of the cover page was deleted.

On page 1 of the Dzongkha text, the word **“computer”** in Dzongkha was inserted in a bracket.

On page 3 of the Dzongkha text, Section 4 (a) was amended to provide that amendments to specific legislations, including the existing ones shall be presented to the Parliament.

The phrase **“in accordance with the Act”** was inserted in Section 6.

In Section 15 (3), the sentence **“which shall be a felony of the third degree”** was deleted and the Section was reformulated as **“Any ICT facility, ICT service or media service provider who fails to assist the agency referred to in Sub-section (2) shall be guilty of an offence and liable to punishment in accordance with the Penal Code of Bhutan”**

The Dzongkha word **“Khogi”** in Section 18 (7) (e) of the Dzongkha text was deleted and replaced by **“Rangsoi”**.

The Dzongkha word **“Chig”** in Section 18 (8) of the Dzongkha text was deleted.

The Dzongkha phrase **“Act of practice for guidance”** in Section 28 (3) of the Dzongkha text was deleted and replaced by **“Codes of practice for guidance”**. The Assembly resolved that similar phrase in other provisions of the Bill should be amended in the same manner by the Legislative Committee. The House also resolved that the Bills passed by the Assembly shall be published only after a review by the Legislative Committee to ensure that changes made to the provisions of the Bills by the Assembly are incorporated.

The Dzongkha word “**Youngdel**” was inserted in Section 59 (1)  
(b).

The Assembly resolved to retain Section 72 without any changes until the Land Act was amended.

Sub-section 190 (2) was repealed.

The Assembly resolved that members of the Appellate Tribunal under Sections 198 and 199 shall be appointed by His Majesty the Druk Gyalpo.

Section 200 was repealed.

Section 203 (2) was reformulated as “**In any instance of a difference in meaning between the Dzongkha and English texts of this Act, the Dzongkha text shall be the authoritative text**”. The House also resolved that all the technical words in the Bill shall be simplified and defined in consultation with the Dzongkha Development Authority.

The National Assembly passed the Bhutan Information, Communications and Media Bill, 2006 on July 5, 2006.

## **5. SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matter**

The Finance Minister made a brief presentation on the SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matter containing 17 Articles. The Finance Minister informed the Assembly that the SAARC Member States had concluded this agreement on avoidance of double Taxation and Mutual Administrative Assistance in tax matters with a view to promoting economic cooperation amongst the SAARC Member States.

The National Assembly ratified the SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matter on July 5, 2006.

## **6. International Convention on the Harmonized Commodity Description and Coding System**

Prior to the deliberation, the Finance presented on the background of the Convention. The Finance Minister said that the Convention has been established under the auspices of the Customs Cooperation Council with the following objectives:

- (a) to facilitate international trade;
- (b) to facilitate the collection, comparison and analysis of statistics, in particular those on international trade; and
- (c) to reduce the expenses incurred by re-describing, reclassifying and recoding goods as they move from one classification system to another in the course of international trade and to facilitate the standardization of trade documentation and the transmission of data.

The Finance Minister also informed the Assembly that this Convention was a modification of the Convention on Nomenclature for the Classification of Goods in Customs Tariffs done at Brussels on 15 December 1950.

The National Assembly ratified the International Convention on the Harmonized Commodity Description and Coding System on 5 July 2006.

## **7. SAARC Agreement on Mutual Administrative Assistance in Customs Matters**

Presenting on the background of the Agreement, the Finance Minister said that the SAARC member states were motivated by the commitment to promote regional cooperation for the benefit of their people, in a spirit of mutual accommodation, with full respect for the principles of sovereign equality, independence and territorial integrity of all states. It was the common desire of the member states to promote the South Asian Free Trade Area (SAFTA) which came into effect from 1<sup>st</sup> January, 2006 and

were convinced that closer cooperation amongst the Customs Administrations would facilitate intraregional trade. There was a need for regional cooperation in matters related to the application and enforcement of customs laws in the member states. It was important for accurate assessment of customs duties and other taxes and for ensuring proper enforcement of Customs Administrations of prohibitions, restrictions and measures of control in respect of specific goods. The offences against customs law were prejudicial to the security of a country and their economic, commercial, fiscal, social, public health and cultural interests. Therefore, the member states were convinced and agreed that action against customs offences can be made more effective by close cooperation between their Customs Administrations based on clear legal provisions. The Minister said that it was imperative that the National Assembly ratify the Agreement.

The National Assembly ratified the SAARC Agreement on Mutual Administrative Assistance in Customs Matters on 5 July, 2006

## **XII. Withdrawal of Pool Vehicles**

After the deliberation on the report regarding the annual performance of the government on 16<sup>th</sup> June 2006, a detailed discussion was conducted on the issue of withdrawal of pool vehicles. Therefore, as per the third resolution of the deliberation, the Finance Minister submitted that the 41<sup>st</sup> meeting of the council of ministers revised the rules governing the use of pool vehicles. In October 2000, in addition to devising mechanisms for reducing the use of pool vehicles, a city public transportation service was mandated to Bhutan Postal Corporation.

As per the mandate of the committees of government secretaries, a multi- sectoral task force reviewed the pool vehicle policies and submitted the following recommendations to the government in February 2005:

- a. To stop procurement of new vehicles as replacement and procurement of vehicles through project funds.
- b. To withdraw heavy vehicles of all the agencies and hire private vehicles and retain only those necessary.

- c. To stop the replacement of old pool vehicles after completing their productive life of the vehicles to reduce the number of pool vehicles.

The committees of government secretaries noted that the withdrawal of all the pool vehicles would impede the timely completion of developmental activities of the Ninth Five Year plan which was nearing completion. Therefore, it was submitted that it was not possible to withdraw heavy pool vehicles.

The National Assembly resolved that the government should effectively implement the rules governing the use of pool vehicles and the sale of old government pool vehicles should be in line with the directives of the government issued from time to time.

The deliberation on withdrawal of government pool vehicles concluded on July 5, 2006.

### **XIII. EXPRESSION OF APPRECIATION**

1. **Expression of Appreciation to His Majesty the King and His Royal Highness the Chhoetse Penlop for the consultation meeting on the Draft Constitution.**

The people of Samtse, Mongar, Trashigang, Haa, Dagana, Sarpang and Tsirang Dzongkhags submitted their profound gratitude to His Majesty the King and His Royal Highness the Chhoetse Penlop for drafting the Constitution of Bhutan for the benefit of the people and the security of the country and for distributing copies of the Draft Constitution to the people. His Majesty the King and His Royal Highness the Chhoetse Penlop had travelled to all the Dzongkhags to discuss the Draft Constitution with the objective to strengthen and hand over the independence and sovereignty of Pelden Drukpa to the future generations. During the consultation

meetings, each and every Article of the Draft Constitution was clearly explained to the people.

The people submitted their heartfelt gratitude and appreciation to His Majesty the King and His Royal Highness the Chhoetse Penlop for their untiring effort to make people aware of the parliamentary democracy which will prevail in the country in future.

The people offered their prayers for the long life of His Majesty the King and His Royal Highness the Chhoetse Penlop and pledged to serve the Tsa-Wa-Sum with utmost loyalty and dedication.

**2. Expression of Appreciation for the inauguration of the Kurichhu Hydro Project**

On behalf of the six eastern Dzongkhags, the people of Mongar Dzongkhag expressed their sincere gratitude to the His Royal Highness the Chhoetse Penlop and the Indian Ambassador for the inauguration of the Kurichhu Hydro Power Project at Gyelposhing.

**3. Expression of Gratitude for the nation Wide Rubella Vaccination program**

The people of Mongar Dzongkhag expressed their appreciation to the Ministry of Health, the WHO and UNICEF for carrying out the Measles and Rubella vaccination programme for the Bhutanese people.

**4. Expression of the Gratitude to the Government of India for providing security escort to the Bhutanese vehicles**

The people of Samdrup Jongkhar submitted their deep gratitude to the Indian Government for providing security escort to the Bhutanese vehicles by their paramilitary forces. The service provided by the Indian paramilitary forces to the Bhutanese commuters was possible because of the close relations between the two countries. The people requested that the escort for the Bhutanese vehicle be continued till such time that it was safe to commute without any security escorts.

#### **XIV. LIST OF DOCUMENTS DISTRIBUTED IN THE 85<sup>TH</sup> SESSION**

1. The Office of the Attorney General Act of Bhutan, 2006
2. Audit Act of Bhutan, 2006
3. Anti-Corruption Act of Bhutan, 2006
4. Bhutan Information, Communications and Media Act of Bhutan, 2006
5. SAARC Limited Multilateral Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matter
6. International Convention on the Harmonized Commodity Description and Coding System
7. SAARC Agreement on Mutual Administrative Assistance in Customs Matters

#### **XV. CONCLUDING CEREMONY**

In his concluding speech, the Speaker on behalf of the National Assembly expressed profound gratitude to His Majesty the Druk Gyalpo, Members of the Royal Family, foreign diplomats, representatives of international donor agencies and senior government officials for their gracious presence during the concluding ceremony. The Speaker said that the 85<sup>th</sup> Session of the National Assembly, which began on 20th day of 4th month of the Fire Male Dog Year corresponding to 16th June 2006, had been a success.

The Speaker said that the successful conclusion of the 85th Session was attributable firstly due to the blessings of the *Ken-Choe-Sum*, secondly, the benevolence of His Majesty the King and thirdly, due to the submission of agendas that embodied the interest of the government and the people and their engagement in extensive constructive deliberations.

The Speaker said that the Prime Minister's presentation on the report in the performance of the government in 2005-2006 had highlighted the successful implementation of the national development goals towards the realization of the Gross National Happiness and the achievement of the Millennium Goals. The Speaker expressed the gratitude of the National Assembly to the Finance Minister

for the presentation of the 2005-2006 budget review report and the 2006-2007 budget outlay and the council of ministers for the successful execution of developmental plans in strict adherence to the directives of His Majesty the King for the welfare of the Bhutanese people.

The Speaker also expressed his appreciation to the Royal Advisory Council (RAC) for presenting a comprehensive report on the implementation status of the resolutions of the previous Session of National Assembly as per Chapter IV Section 2 of the RAC *Chathrim*. The Speaker conveyed his appreciation to the *Zhung Kalyon* and the Councilors for extending support to the legislature amidst their busy schedule. Likewise, the Speaker commended the members of Legislative Committee and Public Accounts Committee for the presentation of their reports. The Speaker also expressed his appreciation to the members of the National Assembly for their increased participation during the deliberations, which was an indication of their maturity.

The Speaker informed the House that the resolutions of the present Session has been duly ratified in the National Assembly, compiled into a booklet form and distributed to the members of the National Assembly. He reminded the ministries and concerned agencies to provide support and disseminate the resolutions to the concerned departments and provide the required support and assistance to the people. He also urged the people's representatives to clearly explain the resolutions to the people of their respective constituencies at the earliest possible. The Speaker reiterated the important role of the members to facilitate and further-strengthen the trust and confidence between the government and the people and for the peace and well being of the country.

The Speaker reminded the members that since the agendas tabled before the National Assembly were submitted by the people on need-based priorities at the geog level, the people were concerned and looked forward to being briefed on the resolutions adopted by the National Assembly. Therefore, it was of utmost importance that the resolutions distributed to all the members on the concluding day were disseminated immediately on their arrival to their respective constituencies and a report submitted to the National Assembly without any delay. Further, the Speaker reminded the members that it was their moral responsibility to personally deliver the resolutions of the National Assembly and not to avail the services of other people to do so on their behalf and any reports against the Assembly Members' rules of procedure has be accordingly dealt with.

The Speaker also expressed his fervent hope that the ministers will accord due support to further improve the service delivery to the people in rural areas which could not be decided at the geog and dzongkhag level through appropriate delegation of responsibilities to the concerned heads in their respective ministries.

The Speaker said that all the members enjoyed freedom of speech in the National Assembly and had engaged in heightened deliberations on issues as per the agenda for the benefit of the country and the people. He urged the members that it was important for them to understand every facet of the deliberation and reminded that the deliberations were conducted in an open manner.

Lastly, the Speaker said that Bhutanese people continued to enjoy prosperity, peace and happiness under the blessings of our selfless Monarchs. The Speaker urged the members to dedicate faith and unwavering loyalty in order to effect unprecedented era of continued peace, happiness and sovereignty of the Kingdom. On the solemn and auspicious occasion of the concluding ceremony, all the members offered *Tashi Moenlem* prayers for the long life of His Majesty the King and everlasting peace and perpetual prosperity of the Bhutanese people. The 85<sup>th</sup> Session of the National Assembly concluded amidst the reverberation of *Serdang* on the 11<sup>th</sup> day of 5<sup>th</sup> month of the Fire Male Dog Year of the Bhutanese calendar corresponding to 7<sup>th</sup> July 2006.

### **Annexure**

#### **English Translation of the Speech of the Honb'le Speaker, Dasho Ugen Dorje during the opening ceremony of the 85<sup>th</sup> Session of the National Assembly on June 16, 2006.**

1. Your Majesty, Members of the Royal Family, Distinguished Dignitaries, Representatives of the international agencies, Ladies and gentlemen. On behalf of the National Assembly, I would like to welcome you to the auspicious occasion of inaugural ceremony of the 85<sup>th</sup> Session of the National Assembly.
2. I would like to congratulate all the new and re-elected Assembly members. You were elected by the people of your constituencies bestowing their trust and confidence. Therefore, I hope that you all will serve the people to the best of your

- abilities in accordance with the legal systems, government policies and parliamentary practices.
3. As all the members are aware that in the age of globalization, the policies and objectives of the National Assembly has also assumed parliamentary standards like in other countries. It is imperative to bear in mind the provisions of the Draft Constitution of the Kingdom of Bhutan and lay the foundation of the parliamentary policies and practices. Several Bills that are expected to be legislated against the backdrop of the Draft Constitution during the 85<sup>th</sup> Session have been distributed to the members after being reviewed by the Legislative Committee. It is hoped that the members would read the Bills thoroughly and participate in free and frank consultative deliberations in the interest of the country and the people.
  4. I would like to reiterate that His Majesty the King had formulated the Constitution of Bhutan in order to establish parliamentary democracy and conducted consultation meetings on the Draft Constitution with the people of all the twenty Dzongkhags. The consultation meetings conducted by His Majesty the King and His Royal Highness the Chhoetse Penlop concluded successfully providing people with the opportunity to gain clearer understanding about the Draft Constitution. This is the result of the fortunes of the Bhutanese people. Therefore, we would like to express our highest appreciation and gratitude to His Majesty the King and His Royal Highness the Chhoetse Penlop.
  5. I led a five member Bhutanese Parliamentary delegation to attend the 4<sup>th</sup> Conference of SAARC Speakers and Parliamentarians at Colombo, Sri Lanka with effect from March 29 to April 3, 2006. This conference not only helped to further strengthen the existing relations between the seven SAARC member countries but also provided an opportunity to share the noble work of His Majesty the King on the Drafting of the Constitution of Bhutan.
  6. Similarly, upon the invitation extended by the Japanese government, I led a three member delegation on an official visit to Tokyo and Kyoto from 14-22 April, 2006 to attend the inaugural ceremony of Bhutan-Japan Parliamentary League established on 18<sup>th</sup> April, 2006 coinciding with the 20<sup>th</sup> anniversary of the Bhutan-Japan Friendship Association. During the visit, the delegation also met with the

Chairperson of the Japan International Cooperation Agency and the Parliamentary Secretary. The visit has not only strengthened the existing relations between the two countries but also solicited commitment of other parties to provide possible assistance in the Tenth Five Year Plan and support and cooperate in the areas of good governance and political reforms taking place in the Bhutan.

7. Further, to enhance the capabilities of the Assembly members and the staff of the National Assembly Secretariat before the adoption of the Constitution of the Kingdom of Bhutan, a project has been signed with the Danish Government. Moreover, we hope that the commitment provided by the government of India on behalf of the Indian Parliament to support our National Assembly would be continued.
8. The success of such visits is primarily due to the blessings of the triple gem, constant guidance from His Majesty the King and the support and cooperation from the government. Therefore we would like to express our appreciation to the government.
9. Lastly, as the National Assembly is the supreme institution which enacted laws and policies, it is hoped that members would engage in substantive debates and adopt resolutions as per the agenda for the benefit of the Tsawa- Sum. I hope and pray that the members would cooperate to enable the successful conclusion of the session.

Tashi Delek!

**Disclaimer**

The Resolution of the 85th Session of the National Assembly of Bhutan had been translated from Dzongkha. In the event of inconsistency between the two versions, the Dzongkha text shall prevail.