

**Government of Bhutan
Water and Sanitation Division
Department of Engineering Services
Ministry of Works and Human Settlements
Droenten Lam, Thimphu, Bhutan**

**Asian Development Bank Loan No. 3674-BHU
Secondary Towns Urban Development Project**



**QUARTERLY PROGRESS REPORT
For Quarter (Q1) January – March 2022**

Submission date: 18 June 2022

PREFACE

The Ministry of Works and Human Settlements (MOWHS) (the executing agency) through its project management unit (PMU) and support from the project implementation units (PIUs) (Samdrup Jongkhar thromde, Sarpang dzongkhag and Trashigang dzongkhag) is undertaking the implementation of the Secondary Towns Urban Development Project. The Loan amounting to \$10 million equivalent was approved by Asian Development Bank (ADB) Board on 18 June 2018 and made effective on 30 July 2018. The Royal Government of Bhutan contribution is \$2 million. The impact of the project is to balance and sustain the development of human settlements in Samdrup Jongkhar, Sarpang, and Trashigang ensured (aligned with the Eleventh Five-Year Plan, 2013–2018). The project outcome is quality, efficiency and sustainability of urban services improved.

To support the project's outcomes, the following are the project outputs:

1. Output 1: Urban infrastructure expanded and/or upgraded; and
2. Output 2: Capacity of institutions and local communities strengthened

The PMU hereby presents the consolidated Quarterly Progress report (QPR) of First quarter of 2022 (**01 April 2022 to 30 June 2022**) for the consideration of ADB.

The PMU, DES, actively acknowledges the support of the Ministry of Works and Human Settlement, Department of Macroeconomic Affairs, Project Management and Supervision Consultant (PMSC) to ensure smooth functioning of the project.

[Karma Dupchuk]
Project Director
Secondary Town Urban Development Project (STUDP)
[Director, DES]

EXECUTIVE SUMMARY

The Executive Summary of the QPR is presented below. The PMU/PMSC requests the reader to refer to the main report for details and clarifications:

Summary of Works Contracts

Parameters	Water Supply	Sewerage+ water supply (Combined)	LAP development
Total Number of Packages	4	1	2
Contracts executed/ completed	3	Being Executed	2
Bidding under Progress	nil	nil	nil
Planning and Design	1 (Dewathang Water Supply Augmentation Project)	nil	nil
Bidding yet to commence	1	nil	nil

Summary of Consultancy Contracts

Parameters	PMSC	Institutional expert	NGO ¹	Urban Infrastructure Trainer	Strom water Drainage design Engineer	Waste water system design engineer	NCC ²	Remarks
Total number of packages	1	1	1	1	1	1	1	
Contracts executed/ completed	Being Executed		Being Executed		NA ³	NA	NA	
Contracts under Implementation	Yes		Yes		NA	NA	NA	
Bidding under Progress				Yet to be initiated	NA	NA	NA	
Bidding yet to commence		To be re-advertised		Yes	Dropped	Dropped	Dropped	

¹ NGO stands for Non-governmental organization.

² NCC stands for National Construction Coordinator

³ NA stands for not applicable since this proposal is dropped.

Brief of Works Packages

Package number	Package Name/ description	Remarks
SM/UR/001	Development of Shechamthang LAP Infrastructure: Roads, Drainage and Water Supply Project	Completed
SM/UR/002	Development of Shechamthang LAP Infrastructure: Roads, Drainage and Water Supply Project	Completed
SM/UWS/002	Sarpang Water Supply Development Project	Completed
SJM/WS-SST/001	Rehabilitation of Samdrup Jongkhar Water Supply System and Sanitation and Sewerage Development Project	Being implemented
TW/WS/002	Trashigang water distribution network improvement project	Completed
SJM/WS/002	Dewathang Water Supply Augmentation Project	Procurement under progress
TW/WS/003	Rangjung intake and WTP rehabilitation project	completed

Brief of Consulting Services

Consulting services number	Brief of Services	Remarks
CS1	Project Management and Supervision Consultant (PMSC)	Recruited
CS2	Recruitment of Construction Supervision Coordinator	PP to be updated to reflect the change
CS3	NGO for Community Mobilization	NGO recruited on 5 July 2021
CS5	Recruitment Wastewater Systems Design Engineer	Decided to drop the Recruitment of expert
CS6	Recruitment Storm water Management/Drainage Design Engineer	Decided to drop the Recruitment of expert
CS7	Recruitment Institutional Specialist	Contract signed on 20 May 2022
CS8	Urban infrastructure trainer	EOI for recruitment to be initiated
Adhoc	Druk Consult International, Thimphu (Individual Consultant) Sarpang Water Supply Intake Investigation	Recruited 10/3/21 and assignment completed on 31/3/2021

Summary of Physical Progress of Works

S.No	Package No.	Package Name	Cost (Nu.)	Date of Commencement	Schedule date of Completion	Physical Completion	Physical Progress	Time elapse as on 31 March 2022	Reasons for Delay	Remedial Measures
Water Supply										
1	TW/WS/002	Trashigang water distribution network improvement project	37,071,084.90 Final paid amount: Nu. 33,410,398.92	01 September 2018 (18 months)	15 May 2020	yes	100%	100%		Completed and taken over by Trashigang PIU
2	SM/UWS/002	Sarpang Water Supply Development Project	73,237,245.07 Final paid amount: 77,157,753.47	11 September 2018 (18 months)	25 April 2020 Handed over on 09/04/2020	yes	100%	97% (as on H-T date)		Completed and taken over by Sarpang PIU
3	SJM/WS/002	Dewathang Water Supply Augmentation Project		SBD under review by ADB		Yet to be tendered out				
4	TW/WS/003	Rangjung intake and WTP rehabilitation project	48,840,620.59 Final Paid amount 42,813,806.14	25 November 2019 (15.5 months)	Intended completion date extended to 13 th June 2021	yes	100%	158.72 %	Nat'l 2nd lockdown (23 Dec to 15 Jan 2021)	Completed on 14/09/21 and taken over on 5 November 2021
Combined water supply and sewerage										
1	SJM/WS/001 +	Rehabilitation of S/J Water	137,333,777.39	12 November 2020 (36 months)	12 November 2023	no	41.87%	57.96%	-do-	

S.No	Package No.	Package Name	Cost (Nu.)	Date of Commencement	Schedule date of Completion	Physical Completion	Physical Progress	Time elapse as on 31 March 2022	Reasons for Delay	Remedial Measures
	SJM/SST/003 [SJM/WS - SST/001]	Supply System Improvement and Sanitation and sewerage development Project								
LAP works										
1	SM/UR/001	Development of Shechamthang LAP Infrastructure : Roads, Drainage and WS Project	183,130,613.60 Final amount paid: 174,219,512.09	07 November 2018		Completed on 16/6/2021	100.00 %	100%	Nat'l lockdown, non-availability of materials	Taken over on 28 June 2021
2	SM/UR/002	-do-	29,897,868.90 Final amount paid: 29,188,575.06	30 December 2019	16 th May 2021	Completed in 15.60 months	100.00 %	100.00 %		Taken over on 9 June 2021
		BT works	51,700,000 Amount passed: 60,021,493.59	May 2021	June 2021		100%	100%		Taken over on June 28, 2021
	Total amount	Combined pkg cost incl BT works	263,429,580.74							

Summary of Financial Progress

Packages (number)	Contract value (Nu.)	Financial Progress Nu./ (%)	ADB's share Nu. / %	RGOB's share Nu. / %
A. Works				
<i>TW/WS/002 Trashigang water distribution network improvement Project</i>				
Actual	34,864,579.00	106.81%	87.90%	12.10%
Additional	2,208,501.90			
Total	37,073,080.90			
Total USD	570,355.09			
<i>SM/UWS/002 [Sarpang Water Supply Development Project]</i>				
Actual	66,667,122.95	92.45%	84.59%	15.41%
Additional	6,570,122.12			
Total	77,157,753.47			
Total USD	1,187,042.36			
<i>SM/UR/001 [Development of Shechamthang LAP Infrastructure]</i>				
Actual	172,080,730.70	113.65%	87.90%	12.10%
Additional	11,049,882.84			
Total	183,130,613.54			
Total USD	2,817,394.05			
<i>SM/UR/002 [Development of Shechamthang LAP Infrastructure]</i>				
Actual	25,971,474.75	120.89%	91.11%	8.89%
Additional	3,926,394.15			
Total	29,897,868.90			
Total USD	459,967.21			
<i>TW/WS/003 [Rangjung intake and WTP rehabilitation project]</i>				
Actual	45,326,917.59	103.29%	90.20%	9.80%
Additional	3,513,703.00			
Total	48,840,620.59			
Total USD	751,394.16			
<i>SJM/WS-SST/001 [Samdrup Jongkhar Water Supply and Sewerage Project]</i>				
Actual	137,333,777.99	37.30%	87.90%	12.10%

Additional	Not yet			
Total	137,333,777.99			
Total USD	2,112,827.35			
B. Consultancy				
CS1 [PMSC]	28,888,000.00			
Total USD	444,430.77	72%	100%	
CS3 [NGO for community Mobilization]	10,873,653.00			
Total USD	167,286.97	32.83%	100%	
Druk Consult International, Thimphu (Individual Consultant): Sarpang Water Supply Intake	194,265.00	100%		
Total USD	2,988.69		100%	

Note(s):

1. '*' denotes Mobilization Avance
2. Calculated including the additional work
3. Calculated at USD 1: Nu. 65 as used in PAM

Utilization of ADB Loan- Forecasts and Achievements 2018-2019-2020-2021-2022 (USD Million)

Utilization of ADB Loan- Forecasts and Achievements 2018-2019-2020-2021 (USD Million)									
Quarter	Dec 2018 quarter	Mar 2019 quarter	June 2019 quarter	Sept 2019 quarter	Dec 2019 quarter	Mar 2020 quarter	June 2020 quarter	Sept 2020 quarter	December 2020 quarter
Projected Utilization	0.64	0.85	0.96	1.19	1.04	1.30	1.00	0.45	0.77
Actual Utilization	0.42	0.26	0.82	0.10	0.84	0.17	2.66	0.07	0.62
% Achievement	65.6%	30.5%	86.2%	8.1%	80.3%	13.0%	265.4%	15.4%	80.9%
Cumulative Projected Utilization	0.64	1.49	2.45	3.64	4.68	5.98	6.99	7.44	8.21
Cumulative Actual Utilization	0.42	0.68	1.50	1.60	2.44	2.61	5.27	5.34	5.96
% Achievement Cumulative	65.6%	45.5%	61.4%	44.0%	52.1%	43.6%	75.4%	71.8%	72.6%

Utilization of ADB Loan- Forecasts and Achievements 2018-2019-2020-2021 (USD Million)						
Quarter	March 2021 quarter	June 2021 quarter	Sept 2021 quarter	December 2021 quarter	Mar 2022 quarter	June 2022 quarter
Projected Utilization	0.76	0.71	0.43	0.13	0.45	0.15
Actual Utilization	0.17	0.72	0.22	0.50	0.37	0.37
% Achievement	21.9%	101.4%	50.6%	373.5%	82.5%	255.0%
Cumulative Projected Utilization	8.97	9.68	10.11	10.24	10.69	10.84
Cummulative Actual Utilization	6.13	6.85	7.07	7.57	7.94	8.31

% Achievement Cumm.	68.3%	70.8%	69.9%	73.9%	74.2%	77%
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Note:

- 1. Average exchange rate during drawdown is Nu. 72.07: 1 USD.*
- 2. Cumulative projected utilization has been included.*

Achievements and Issues and action taken during the Quarter (Q1-2022)

Package # and Name	Achievements	Issues/action to be taken
TW/WS/002 Trashigang water distribution network improvement project	<p>The Trashigang sub-project has been completed and handed over already on 18 May 2020. While most documents requested for by ADB have been submitted, an updated land use ownership certificate is still due.</p>	<ul style="list-style-type: none"> • An updated land use/ownership certificate issued by the Dzongkhag mentioning all project components and the status of land the components (for the Trashigang scheme) are located on is still pending and needs to be submitted to fulfill the reporting obligations to ADB, there are no outstanding social issues in the project. • PIU was requested to prepare and provide these documents. The document is to be included in the next SSMR (Feb 2022 – August 2022). • The PIU was again requested to submit this in June 2022 so that it can be included in the next SSMR/QPR. However, this document is still pending submission despite the numerous reminders served by the PMSC and PMU • The preparation of PCR is due and will be taken up simultaneous with the PCRs for others. • During the operation of the water supply, E. coli bacteria in water needs to be monitored monthly, and visual inspection of pipelines and routes and monitor BDWS physical and chemical yearly by the Trashigang Municipal office • Project performance data to be collected and updated in the next QPR/SSMR/SEMR
SM/UWS/002 Sarpang Water Supply Development Project	<ul style="list-style-type: none"> • The project was completed on 30 March 2020 and handed over by the Contractor to the PIU on 09/04/20 March 2020. All social issues have been addressed and as such there are no outstanding social issues for this completed sub-project. 	<ul style="list-style-type: none"> • The preparation of PCR is due and will be taken up simultaneous with the PCRs for others • monthly monitoring for bacteria and annually for physical and chemical test parameters to be carried out by PIU. • Septic tank of water consumers: Visual inspection once a year. • Groundwater levels: wells and pumping station-monthly by use of ground level

Package # and Name	Achievements	Issues/action to be taken
		meter <ul style="list-style-type: none"> • Liquid chlorine usage: WTP and pumping stations-verification of operation records once a year. •
SJM/WS/002 Dewathang Water Supply Augmentation Project.	Project yet to start <ul style="list-style-type: none"> • The project detailed design for transmission line and SBD are prepared. • Environmental Clearance is valid up to 09/12/2023 as renewed vide No. . SDA/DEC-7/2019-20/3512 date 10/12/2019. • IEE and EMP updated in June 2022. • Forestry clearance issued vide SJR/PPEU/FC-09(D)/448 dated 16/05/2022. • Clearance for laying of water transmission line from Morongchhu to Dewathang issued vide DoR/ROSJ/2019-2020/MD-20/3117 dated 06/12/2022 of Department of Roads, Samdrup Jongkhar. • Public consultation conducted on 26 April 2022. • 	<ul style="list-style-type: none"> • If it is determined that the alignment from the two additional sources or any other structures impact on private land or assets, social safeguards requirements will be triggered and due diligence will have to be implemented. • IEE and EMP will be updated before tendering the SBD. • For Dewathang package Environmental Clearance and Forestry clearance will be renewed prior to the advertisement of the package.
SJM/WS/003 ⁴ Construction of WTP at Dewathang	<ul style="list-style-type: none"> • No outstanding social issues. The project can proceed for design and implementation. However, if there are changes in design for example while trying to incorporate Water Flahship Programme requirements, and there are impacts on people and their land and property, social due diligence procedures will be triggered and will have to be carried out. • The project detailed design and SBD prepared. • Environmental Clearance is valid up to 09/12/2023 as renewed vide No. . SDA/DEC- 	<ul style="list-style-type: none"> • The project completed inclusive Design and costing for transmission line. The design of WTP yet to be finalized. • IEE, EMP to be updated and Forestry clearance renewed prior to the advertisement of the work package.

⁴ Procurement plan needs to be updated to reflect change by ADB

Package # and Name	Achievements	Issues/action to be taken
	<p>7/2019-20/3512 date 10/12/2019.</p> <ul style="list-style-type: none"> • Community Forestry clearance obtained as Public consultation conducted on 23/06/2022 vide SJT/ID/16/2021-2022/2453. • Public consultation conducted on 26 April 2022. 	
<p>TW/WS/00 Rangjung intake and WTP rehabilitation project</p>	<ul style="list-style-type: none"> • Intake and pipelines from intake to grit chamber damaged by flood under observation. • No grievances were reported from the public during the reporting period. • The project was completed on 05/07/2021 but handed over by the contractor to the PIU on 05/11/2021. 	<ul style="list-style-type: none"> • PIU/PMU to take further action for construction of intake/pipelines at an appropriate time. • The 100 mm DI pipeline of 50 m length is required to be connected between new intake and reservoir tank. This construction has to be done by the contractor before the end of the defect liability period. • Though there is no chlorination dosing point in the new CWR but the chlorination can be prepared in 50 l tank and chlorination dosing can be done drop by drop. • During the operation of the water supply, E. coli bacteria in water needs to be monitored monthly, and visual inspection of pipelines and routes and monitor BDWS physical and chemical yearly by the Rangjung Municipal office. • The preparation of PCR is due and will be taken up simultaneous with the PCRs for others
<p>SM/UR/001 Development of Shechamthang LAP Infrastructure (Package 1)</p>	<p>The Contractor handed over the project to the Dzongkhag in July 2021.</p>	<p>PIU Sarpang was recommended to hold consultations, and reminded again in June 2022, to map any grievances related to damage of properties by project activities as well as to confirm that there are no claims for compensation before the project ends so that the PIU and District Administration is saved of any inconveniences and litigation. This has not been done although they were reminded several times to undertake this and also at in June 2022 and again prior to preparation</p>

Package # and Name	Achievements	Issues/action to be taken
		<p>of this report but there has not been any response in this regard.</p> <ul style="list-style-type: none"> • Monitoring monthly for bacteria and annually for physical and chemical parameters. • Septic tank of water consumers: Visual inspection once a year. • Groundwater levels: wells and pumping station-monthly by use of ground level meter • Liquid chlorine usage: WTP and pumping stations-verification of operation records once a year. • The preparation of PCR is pending and will be taken up at an appropriate time.
<p>SM/UR/002 Construction of LAP Infrastructures in Shechamthang (Package 2)</p>	<p>The sub-project was completed and handed over on 09 June 2021 by the Contractor. Public consultations is necessary before the project can be handed over by the Contractor to PIU and the Dzongkhag.</p>	<ul style="list-style-type: none"> • PIU Sarpang recommended to hold consultations to map any grievances related to damage of properties by project activities as well as to confirm that there are no claims for compensation before the project ends so that the PIU and District Administration is saved of any inconveniences and litigation. The PIU was reminded to undertake this June 2022 but as yet PMSC has not received any information of this being carried out. • Traffic signs along new roads-visual inspection monthly. • Maintenance of new roads-visual inspection once a year. • The preparation of PCR is pending and will be taken up at an appropriate time.

Package # and Name	Achievements	Issues/action to be taken
SJM/WS/001 + SJM/SST/003 New package name [SJM/WS-SST/001] Rehabilitation of S/J Water Supply System Improvement and Sanitation and sewerage development Project	<p>The SDGSS made a quick visit to the project sites in May 2022 and could inspect the affected properties and discuss with the Contractor on the need to maintain a GRM register on site.</p> <p>In June 2022, the affected persons (3 persons owning 1 plot) were paid compensation amounting to Nu. 160,116.67.</p> <ul style="list-style-type: none"> • IEE and EMP included in the bid document. • Environmental Clearance renewed and valid up to 19/06/2023. • Forestry clearance renewed. • Contractor prepared CEMP in March 2022 and submitted to PIU/PMU. • Environmental safeguards induction conducted. • The highway near Pinchina 4km was reinstated after trenching it to cross the pipelines to its original state. 	

OTHER MATTERS

- a) The GAP Implementation Team in this Reporting period has focused on the conducting the baseline survey at all the project sites; which has been completed. In total, a sample of 1,007 households in project intervention areas and 314 households in control group areas were interviewed. The data has been entered and sent to the statistician for analysis. Also, during the reporting period the media material designed during the last quarter were aired on BBS TV. Also, the other IEC materials such as signboards have been installed in all the project towns and for the digital art book discussions with the schools have taken place.
- b) Under Samdrup Jongkhar Thromde: One problem the PMSC foresees is the possible need for realignment of pipelines. The design was carried out on an initial LAP plan which was later changed in some areas. Also, there were no structures during design phase and now there are high embankment, absence of cross drainage provisions for water supply and sewer lines. Although part of the problem is solved, there are issue under LAP-1 and few other locations in other LAPs. This captured in the technical report dated 22/11/2021 on DMS from Thromde LRO.

Existence of Pipelines and utility cables: Due to the lack of inventory records with the concerned agencies, there are frequent damages of underground power cables and telecommunication networks, water pipelines and other utility facilities. However, such issues

are solved through coordination meetings with the involving counterparts; Bhutan Power Cooperation, Bhutan Telecom Limited and Thromde.

Monsoon damages: There was substantial monsoon damages during the 2nd and 3rd week of June 2022. A report has been attached as part of QPR.

- c) According to PIU, Trashigang, the water supply for Trashigang town from the WPT is not consistent owing to backwash issue. Further the water quality is poor due to floating materials and debris. The PIU based on the discussion with officials from PMU during June 2021 recommended for a 100cm³ water reservoir which requires initiating design, procurement and implementation by Trashingang dzongkhag, as WTP issue is not part of STUDP project.

ACRONYMS AND ABBREVIATIONS

1 Ngultrum (BTN) = 0.0149 US Dollar (USD) as on 2015 rate [1USD=67Nu)

1 Ngultrum (BTN) = 0.0141 US Dollar (USD) as on Dec 2018 rate [1USD=71Nu)

ADB	: Asian Development Bank
BTN	: Bhutan Ngultrum
CWTP	: Clear Water Treatment Plant
DES	: Department of Engineering Services, MoWHS
DPA	: Department of Public Accounts, MoF
DMS	: Detailed measurement survey
PMSC	: Project Management and Supervision Consultant
DPA	: Department of Public Accounts, MoF
GoI	: Government of India
GAP	: Gender action plan
GEMS	: Gender equality monitoring system,
HH	: Household/Households
LAP	: Local Area Plan
LGU	: Local Government Unit
LSS	: Lower Secondary Schools
MCA	: Multi-criteria Analysis
MIS	: Management Information System
MoF	: Ministry of Finance
MoWHS	: Ministry of Works & Human Settlements
MLD	: Million liters per day,
NEC	: National Environment Commission
NGO	: Nongovernment organization
O&M	: Operation & maintenance
PEMS	: Public Expenditure Management System
PIU	: Project Implementation Unit
PMU	: Project Management Unit
PPTA	: Project Preparatory Technical Assistance
PSA	: Poverty and Social Analysis
RFP	: Request for Proposal
RCDC	: Royal Centre for Disease Control
RGoB	: Royal Government of Bhutan
SMP	: Sector Master Plans
SP	: Structure Plan
TA	: Technical Assistance
TL	: Team Leader
TNA	: Training needs assessment
ToR	: Terms of Reference
USD	: United States Dollars
WB	: World Bank
WSD	: Water & Sanitation Division, MoWHS
WW	: Wastewater
WTP	: Water Treatment Plant
WWTP	: Wastewater Treatment Plant

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Appendices

Appendix 1: Work Plans Vs achievements of sub-projects

Appendix 2: Environment safeguards and other support files documentations

Appendix 3: Photograph documentation on the work progress during Q2_2022

1. Introduction and Basic Data

The Ministry of Works and Human Settlements (MOWHS) (the executing agency) through its project management unit (PMU) and support from the project implementation units (PIUs) (Samdrup Jongkhar thromde, Sarpang dzongkhag and Trashigang dzongkhag) is undertaking the implementation of the Secondary Towns Urban Development Project (STUDP). The Loan amounting to \$10 million equivalent was approved by Asian Development Bank (ADB) Board on 18 June 2018 and made effective on 30 July 2018. The Royal Government of Bhutan (RGoB) contribution is \$2 million. The impact of the project is to balance and sustain the development of human settlements in Samdrup Jongkhar, Sarpang, and Trashigang ensured (aligned with the Eleventh Five-Year Plan, 2013–2018). The project outcome is quality, efficiency, and sustainability of urban services improved.

To support the project's outcomes, the following are the Project outputs:

1. Output 1: Urban infrastructure expanded and/or upgraded; and
2. Output 2: Capacity of institutions and local communities strengthened

Basic Loan Data

Table 1: Loan Details of the Project

Project Details	
ADB Loan Number	3674- BHU
Project Title	Secondary Towns Urban Development Project
Borrower	Royal Government of Bhutan
Executing Agency (EA)	Department of Engineering Services (DES), Ministry of Works & Human settlement (MoWHS)
Implementing agencies (IA)	PIU,S/J Thromde , PIU Trashigang Dzongkhag and PIU, Sarpang dzongkhag
Dates of ADB Loan	
Approval date	18 June 2018
Date of Signing	3 July 2018
Date of Loan Effectiveness	30 July 2018
Original Loan closing Date	31 January 2024
Revised closing date	N.A
Elapsed Loan period (until end of quarter) based on	Loan Effectivity Date: 30 Jul 2018 Original Loan Closing Date: 31 Jan 2024
- Original Loan closing date	71.21% (47 out of 66 months)
- Revised loan closing date	N.a
Dates of ADB Mission	
Inception Mission	23 Nov-4 Dec 2018
Second Mission	14-28 August 2019
Review meeting (by BHRM)	10 May 2021

Estimated Project Cost and Sources of Financing

Table 2: Project Cost and Financing

Particulars	Total		ADB Financing		RGOB financing	
	Amount (USD million)	Amount (Nu. Million)	Amount (USD million)	Amount (Nu. Million)	Amount (USD million)	Amount (Nu. Million)
A. Investment Cost						
I. Works	8.34	542.1	7.33	476.45	1.02	66.3
II. Consultants	1.11	72.15	1.11	72.15	0	0
III. Environment and Social Mitigation	0.08	5.2	0	0	0.08	5.2
Total	9.53	619.45	8.44	548.6	1.1	71.5
B. Recurrent cost						
Program and Project Management and Implementation	0.7	45.5	0	0	0.7	45.5
C. Contingencies						
1. Physical	0.81	52.65	0.7	45.5	0.11	7.15
2. Price	0.59	38.35	0.5	32.5	0.09	5.85
Total	1.4	91	1.2	78	0.2	13
D. Financing Charges						
Interest During Construction	0.37	24.05	0.37	24.05	0	0
Total	0.37	24.05	0.37	24.05	0	0
Total Project Cost (A+B+C+D)	12.00	780.00	10.01	650.65	2.00	130.00
<i>Exchange rate considered @ Nu. 65 = \$1 (as of January 2018)</i>						
<i>Note(s): 1. Numbers may not sum precisely because of rounding</i>						

3. Program Description and Location

To enable balanced and equitable growth, the government's strategy for urban development, the Project aims to foster secondary towns into regional growth centers by developing trade, transport, logistics, and manufacturing.⁵ Medium-scale industries are being established along the regional centers in southern Bhutan that border India, including Samdrup Jongkhar and Sarpang, both of which are secondary towns identified as growth centers. The project will support infrastructure development and institutional strengthening in three important secondary towns—Samdrup Jongkhar and Sarpang in the southern border region of Bhutan, which are planned as growth centers with high economic potential (para. 5); and Trashigang, the largest urban center in eastern Bhutan, which has gained importance with the opening in 2017 of the Yonphula airport, which was supported by ADB.⁶ These towns were selected for their strategic economic importance. The secondary towns need substantial urban infrastructure improvements to realize the government's vision. The project is designed to complement the government's efforts to develop secondary towns to ensure Bhutan's balanced urbanization.

There is a need to improve basic urban services and expand infrastructure in the newly planned town extensions to meet the specific needs. Residents of Samdrup Jongkhar and Sarpang get less than eight hours water supply per day, while residents of Trashigang have adequate water supply but are affected by poor water quality and more than 40% nonrevenue water losses. Samdrup Jongkhar, which is the largest of the three project towns, needs to extend its sewerage network.⁷ Sarpang's planned commercial satellite town needs investments in common urban infrastructure (roads, water supply, and drains) to attract businesses. The local governments were closely involved in project preparation ensuring that the solutions were tailor-made to the unique context of each town.⁸

The impact of the Project is to Balanced and sustainable development of human settlements in Samdrup Jongkhar, Sarpang, and Trashigang ensured (aligned with the Eleventh Five-Year Plan, 2013–2018). The Project outcome is Quality, efficiency, and sustainability of urban services improved.

To support the project's outcomes, the following are the Project outputs:

1. Output 1: Urban infrastructure expanded and/or upgraded; and
2. Output 2: Capacity of institutions and local communities strengthened

The project will: (i) improve water supply in the three secondary towns; (ii) improve sewerage in Samdrup Jongkhar; (iii) develop drainage and road infrastructure in

⁵ Government of Bhutan. 2010. *Economic Development Policy of the Kingdom of Bhutan*. Thimphu.

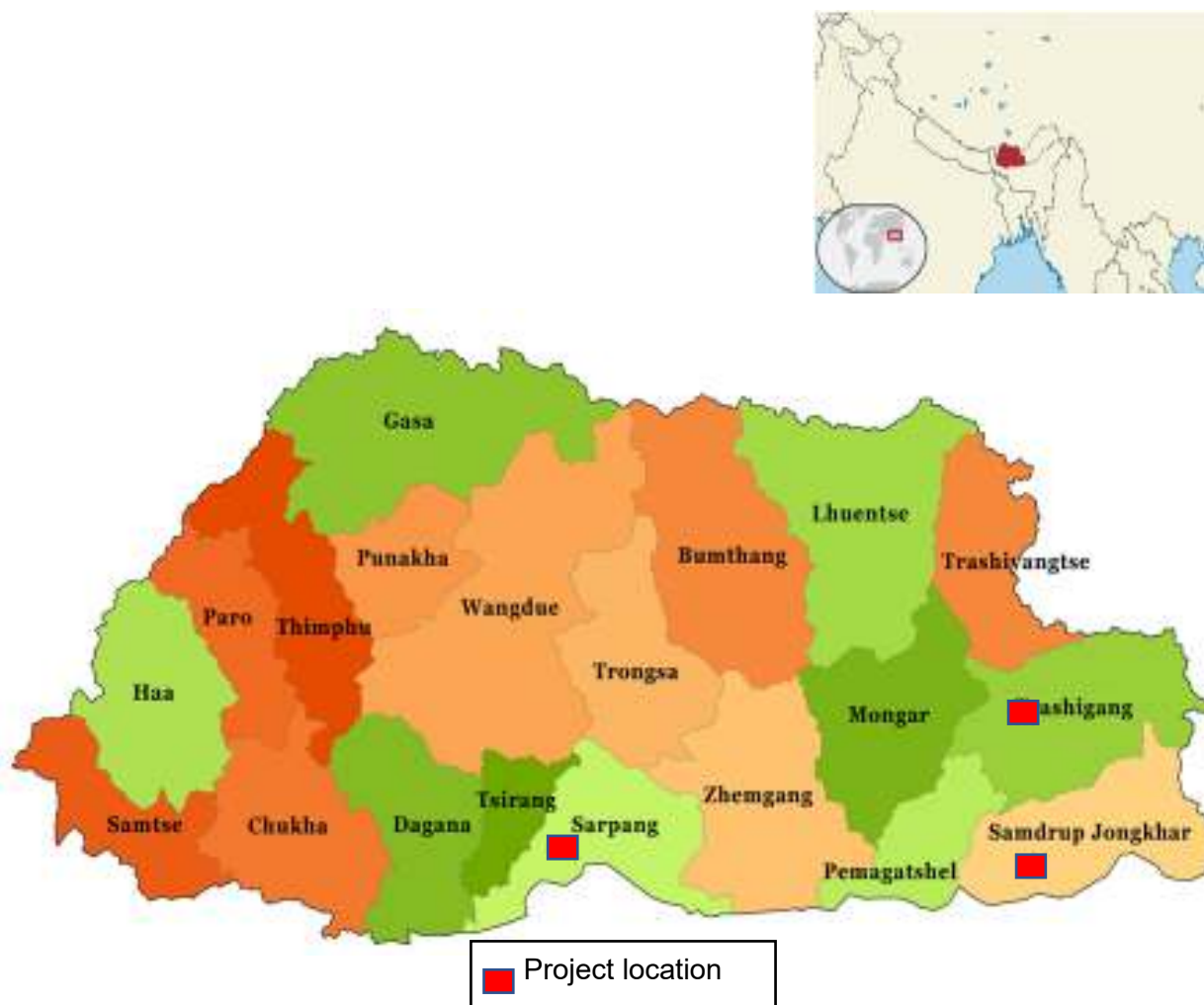
⁶ ADB. *Kingdom of Bhutan: Air Transport Connectivity Enhancement Project*.

⁷ Due to low population densities, piped sewerage is not recommended in Sarpang and extension areas of Trashigang, where appropriate septage management is practiced.

⁸ Sarpang and Trashigang do not have municipal governments and fall within the jurisdiction of the respective dzongkhags (district administration). Samdrup Jongkhar has its own municipal government (*thromde*).

Sarpang's new satellite town (Shechamthang); (iv) support the strengthening of institutional capacity for the management and operation and maintenance (O&M) of municipal infrastructure assets; and (v) develop national water tariff guidelines. The executing agency is the MOWHS with the project management unit (PMU) being the Water and Sanitation Division of the Department of Engineering Services. The implementing agencies are Samdrup Jongkhar thromde (municipality), Sarpang Dzongkhag (district administration), Trashigang Dzongkhag.

Figure 1: Map showing the location of all the towns included.



3. Project Synopsis

The Project Director (Director, DES) leads the Project Management Unit (PMU) and is supported by 4 staffs of the Water and Sanitation Division, Project Manager, Assistant

Project Manager and Chief WSD. The Project Management and Supervision Consultants (PMSC) are supporting the PMU in managing the Project. The PMU is functioning from the office of Water and Sanitation Division, Department of Engineering Services, Ministry of Works and Human settlement, Thimphu.

Works packages have been divided into the following sub-sectors:

1. Water Supply
2. Combine water supply and sewerage
3. Local Area Plan development works

In addition to the various physical works, the following are the consultancy packages under the Project:

1. Project Management and Supervision Consultant (PMSC)
2. Institutional Specialist
3. The NGO for community Mobilization
4. Wastewater systems Design Engineer
5. Storm water Management /Drainage Design Engineer
6. Urban Infrastructure trainer

4. Physical Progress of Packages until the end of Reporting Quarter

Table 3: Summary of Works: Component Wise

Summary (Component wise)							
Sl. No	Work component	No. of Packages in Planning and Design stage	No. of Packages in Bidding stage	No. of Contracts in Implementation Stage	No. of Contracts in Post-construction (commission) stage	No. of contracts completed	Total No. of contract packages
1.	Water Supply	1	nil	nil	3	3	4 ⁹
2.	Combined water supply and sewerage ¹⁰	nil	nil	1	nil		1
3	LAP development works ¹¹	nil	nil	nil	2	2	2
Total		1	nil	1	5	5	7

Note:

1. Bidding stage starts form the date of publication of bid documents.
2. Implementation starts from the date of issue of notice to Proceed.
3. Procurement plan needs to be updated to reflect change for Sl. No. 2

⁹ Deothang water supply sub-project likely to have two packages (Raw transmission and WTP package) making 5 packages under WS

¹⁰ Procurement plan needs to be updated (package name SJM/WS-SST/001)

¹¹ Technically LAP Development works comprises of two contract packages

Table 4: Summary and status of packages

Water Supply				Summary and Status of Packages								
SI. No	Package No.	Package Name	Status	Planning and Design Stage		Bidding stage		Date of Commencement	Actual Completion Date	Issue of Final Payment certificate	Contractor	Completion cost (Nu.)
				Start Date	End Date	Start Date	Issue of LOA					
1	TW/WS/002	Trashigang water distribution network improvement project	Implemented			28 Jan 2018	June 2018	01 September 2018	15 May 2020	Work completion certificate issued	M/s KD Builders Private Ltd	completed and taken over.
2	SM/UWS/002	Sarpang Water Supply Development Project	Implemented			15 Dec 2017	19 July 2018	11 Sept 2018 (18 months)	9 April 2020	Issued together with Work completion certificate	M/s EW Construction & M/s J M Construction (JV)	completed and taken over.
3	SJM/WS/002	Dewathang Water Supply Augmentation Project	Under planning and design	Jan 2019 ¹²								Not started
4	TW/WS/003	Rangjung intake and WTP rehabilitation project	Under implementation	Jan 2019		10 June 2019	17 oct 2019	26 Nov 2019	14 September 2021		M/s KD Builders Private Ltd	Project handed over on 5 Nov 2021
Combined water supply and sewerage				Summary and Status of Packages								
SI. No	Package No.	Package Name	Status	Planning and Design Stage		Bidding stage		Date of Commencement	Actual Completion Date	Issue of Final Payment	Contractor	Completion cost (Nu.)

¹² The time the PMU, DES, MoWHS took over the design.

				Start Date	End Date	Start Date	Issue of LOA			t certificate		
1	SJM/WS/001 + SJM/SS T/003	Rehabilitation of S/J Water Supply System Improvement and S/J Sanitation and sewerage Project	Under implementation			05 Oct 2019		12 November 2020	Intended completion is on 12 Nov 2023		M/s Chhimi R.D. Construction	
LAP development												
Sl. No	Package No.	Package Name	Status	Planning and Design Stage		Bidding stage		Date of Commencement	Actual Completion Date	Issue of Final Payment certificate	Contractor	Completion cost (Nu.)
				Start Date	End Date	Start Date	Issue of LOA					
1	SM/UR/001 (package 1)	Development of Shechamthang LAP Infrastructure	completed			20 Feb 2018	24 Sep 2018	07 Nov 2018 (18 months)	Intended completion was till June 15, after extension		M/s Penjore Construction & M/s Jabab Construction (JV)	Completed and taken over on 28 June 2021
2	SM/UR/002 (package 2)	Development of Shechamthang LAP Infrastructure	completed	Additional package (package 2) awarded to the same contractor				30 December 2019	Intended completion date was till 16 th May 2021 after extension		M/s Penjore Construction & M/s Jabab Construction (JV)	Completed and taken over on 9 th June 2021

Table 5: Works Under Construction

S.No	Package no.	Package name	Contract Cost (Nu. Million)	Date of commencement	Scheduled date of completion	Physical Progress (%)	Time elapsed (%)	Reason for delay	Remedial measures
Water Supply									
1	TW/WS/002	Trashigang water distribution network improvement project	37,073,080.90 incl additional works	1 Sept 2018 (18 months)	15 th May 2020 (after time extension)	100%	100%		completed ¹³
2	SM/UWS/002	Sarpang Water Supply Development Project	73,237,245.07 incl additional works	11 Sept 2018 (18 months)	11 March 2020 Time extended upto 25 April, 2020	100%	100%		Completed ¹⁴
3	SJM/WS/002	Dewathang Water Supply Augmentation Project							Under planning and Design
4	TW/WS/00	Rangjung intake and WTP rehabilitation project	48,840,620.59 incl additional works	25 November 2019 (14 months)	24 January 2021	90%	131.09%	COVID-19 and Monsoon damages	Revised completion was 13 June 2021
Combined Sewerage and Drainage									
1	SJM/WS/001 + SJM/SST/003	Rehabilitation of S/J Water Supply System Improvement Project and S/J Sanitation and sewerage Project	137,333,777.39	12 November 2020 (36 months)	12 November 2023	34%	48%	-do-	Under construction
LAP development works									

¹³ Handing-taking done on 18 May 2020

¹⁴ Handing-taking over done on 9 April 2020

S.No	Package no.	Package name	Contract Cost (Nu. Million)	Date of commencement	Scheduled date of completion	Physical Progress (%)	Time elapsed (%)	Reason for delay	Remedial measures
1	SM/UR/001	Development of Shechamthang LAP Infrastructure	183,130,613.54 incl additional works	07 Nov 2018 (18 months)	June 15, 2021 after time extension	98.99%	99.00%	COVID-19 Pandemic	Completed and taken over on 28 th June 2021
2	SM/UR/002	-do-	29,897,868.90 incl additional works	30 December 2019	16 May 2021 after time extension	100%	100%	Additional works and COVID-19 Pandemic	Completed and taken over on 9 th June 2021
Notes (if any)									

Table 6: Summary and Status of Consultancy Packages

Sl. No.	Package No,	Package Name	Status	Date of Commencement	Actual Completion date	Issue of Final Payment Certificate	Consultant	Completion cost (Nu.)
1	CS1	Project Management and support consultant (PMSC)	Recruited	15 November 2018	After 54 months		M/s APECS Consultancy	
2	CS2	Recruitment of Construction Supervision Coordinator		dropped				
3	CS3	NGO for Community Mobilization	Recruited on 5 th July 2021				M/s Tarayana Foundation	
5	CS5	Recruitment Wastewater Systems Design Engineer		dropped				
6	CS6	Recruitment Storm water Management/Drainage Design Engineer		dropped				
7	CS7	Recruitment Institutional Specialist	Procurement initiated through EOI on 26 Jan 2022					
8	CS8	Urban infrastructure trainer	To be recruited					

5. Financial Progress of Packages during the Reporting Quarter

Table 7: Sources and Application of Fund for cumulative till 30 June 2022

Particulars	For the Quarter Q4 2021	For the Quarter Q1 2022	For the Quarter Q2 2022	Year to Date (2022)	Cumulative (Inception to date (June 2022))
Opening Cash and Bank Balances	-	4,199,408.8	7,779,797.8	7,779,797.8	
Add: Sources of Fund					
ADB	31,971,108	24,629,347	24,417,150	49,046,497	81,017,605
RGOB	3,991,512	3,243,217	2,520,304	5,763,521	9,755,033
Liabilities <i>(if applicable)</i>					-
Total Sources of Fund	35,962,620	27,872,564	26,937,454	54,810,018	90,772,638
Less: Application of funds					
Civil works	34,354,110	26,672,415	5,729,181	32,401,596	66,755,706
Incremental Administration expenses					
Site visits (per diem, fuel)	-	15,855	18,485	34,340	34,340
Land acquisition					
Consultants	1,608,510	1,184,294	7,113,084	8,297,378	9,905,888

Interest charges					
Other non-attributable expenses					
Total Application of Fund	35,962,620	27,872,564	12,860,750	40,733,314	76,695,934
Project bank Account	4,199,409	7,779,798	6,579,993	6,579,993	6,579,993
Imprest Account				-	
Sub-total				-	
Closing cash and bank balances (end of period)	4,199,409	7,779,798	6,579,993	6,579,993	6,579,993

Note: Interest is Accrued and given in Table on Loan under Section 6, but it is not charged to the project at the time of the reporting.

Table 8: Use of Funds by project activities as of 30 June 2022

Use of Funds by project activities as of 31st March 2022			
Particulars	Mar-22	Year to Date (2022)	Cumulative Inception-Date June 2022
Civil works- transferred to PIUs	16,243,545.0	16,243,545.0	30,580,819.0
Civil works (ongoing)		-	
Total Water Supply	16,243,545.0	16,243,545.0	30,580,819.0
Civil works- transferred to PIUs	10,428,870.0	120,428,680.0	68,862,119.0
Civil works (ongoing)			
Total combined WSS	10,428,870.0	10,428,870.0	68,862,119.0
Civil works- transferred to PIUs	-	-	239,526,330.2
Civil works (ongoing)			
Total LAP	-	-	239,526,330.2
Land Acquisition		-	-
Project related expenses		-	-
Consultancy services	1,184,294.0	1,184,294.0	21,371,584.3
Total Project Related expenses		-	-
Interest and Finance charges		-	-
Total project expenditure	27,856,709.0	27,856,709.0	360,340,852.5

Table 9: Project Cash Withdrawal as on 30 June 2022

Disbursement category	Disbursement (Nu.) in the reporting Quarter Q1_2022			Disbursement (Nu.) in the reporting Quarter Q2_2022			Cummulative Disbursement (Nu.) Inception till Q2_2022 (30 June 2022)		
	Reimbursement through WA	RGOB	Total	Reimbursement through WA	RGOB	Total	Reimbursement through WA	RGOB	Total
Civil works	23,445,053.33	3,227,361.68	26,672,415.01	15,855.00	24,629,347.33	24,645,202.33	434,437,379.73	44,855,957.11	479,293,336.84
Project management and capacity development (Project management and supervision, capacity development)	1,184,294.00	-	1,184,294.00	7,113,084.00	-	7,113,084.00	28,484,668.26	-	28,484,668.26
Interest during construction									
Unallocated									

Table 10: Comparison of targets set for the QPR2-2022 v/s achievements

Gross Bill targets (Nu. Million)							
Works Package No.	Cumulative Spillover from this quarter (Q4 2021)	Projected in Qtr1_2022	Achieved in Qtr 1, 2022	Projected in Qtr1_2022	Achieved in Qtr 2, 2022	Cummulative Spillover from this quarter (Q2 2022)	Remarks
RA bills							

Package no. TW/WS/002 Trashigang Water Distribution Network Improvement Project	(4.62)	-	-	-	-	(4.62)	
Package no. SM/UWS/002 Sarpang Water Supply	6.33	-	-	-	-	6.33	
Package no. SJM/WS/002 Dewathang Water Supply Augmentation Project	-	-	-	-	-	-	
Package no. TW/WS/00 Rangjung intake and WTP Rehabilitation Project	0.96	-	16.24	-	0.12	(15.40)	
Package no. SJM/WS/001 + SJM/SST/003 Rehabiltion of SJ Water supply improvement project and S/J Sanitation and Sewerage Project	57.24	-	10.43	-	19.69	27.12	
Package no. SM/UR/001 Development of Shechamthang LAP Infrastructure	(50.06)	-	-	-	-	(50.06)	Projection at 1 USD : 65 Nu
Total works bills	9.84	-	26.67	-	19.81	(36.64)	
Consultancy Services							
PMSC	(5.14)	-	1.18	-	-	(6.32)	
NGO for Community Mobilization							
Instititonal Specialist							

NGO for Community Mobilization							
Total Consultancy Services	(5.14)	-	1.18	-	-	(6.32)	
Total budget and expenditure	4.70	-	27.86	-	19.81	(42.96)	
Achievement Percentage							
STUDP (3674-BHU)							
Merge Bill Targets for the next 2 Quarters							
Cash flow targets for the next 2 quarters							

6. Loan Disbursements, Interest Application and Claims Lodged

02 out of 06 contracts are under Procurement and implementation in the project and four completed. Disbursements to consultants are for their services to the project. The expenditures for works contracts were for advance payment and interim payment certificates to the respective contractors.

Table 11: Status of Disbursements

Package number	Contract value	Quarter Expenditure (Nu. Million)	Cumulative Expenditure (Nu. Million)	ADB's share (Nu. Million)	RGOB's share (Nu. Million)
A. Works					
<i>TW/WS/002 Trashigang water distribution network improvement Project</i>					
Actual	34,864,579.00				
Additional	2,208,501.90				
Total	37,073,080.90				
Total USD	570,355.09	-	39,596,407.34	34,805,241.75	4,791,165.59
<i>SM/UWS/002 [Sarpang Water Supply Development Project]</i>					
Actual	66,667,122.95				
Additional	6,570,122.12				
Total	77,157,753.47				
Total USD	1,187,042.36	-	64,055,465.87	54,186,784.77	9,868,681.10
<i>SM/UR/001 [Development of Shechamthang LAP Infrastructure]¹⁵</i>					
Actual	172,080,730.70				
Additional	11,049,882.84				
Total	183,130,613.54		208,130,328.12	197,017,778.52	11,112,549.60
Total USD	2,817,394.05	-	2	2	0
<i>SM/UR/002 [Development of Shechamthang LAP Infrastructure]</i>					
Actual	25,971,474.75				
Additional	3,926,394.15				
Total	29,897,868.90				
Total USD	459,967.21	-	31,396,002.06	27,864,184.47	3,531,817.59
<i>TW/WS/003 [Rangjung intake and WTP rehabilitation project]</i>					
Actual	45,326,917.59				
Additional	3,513,703.00				
Total	48,840,620.59				
Total USD	751,394.16	-	46,816,826.52	42,081,635.89	4,735,190.63
<i>SJM/WS-SST/001 [Samdrup Jongkhar Water Supply and Sewerage Project]</i>					
Actual	137,333,777.99				
Additional	0.00				
Total	137,333,777.99				10,773,677.51
Total USD	2,112,827.35		89,780,645.95	79,006,968.44	1
B. Consultancy					
CS1 [PMSC]	28,888,000.00				
Total USD	444,430.77			22,477,076.61	
Total USD	-	1,202,695.45	22,477,076.61		NA
CS3 (NGO for community Mobilization)	10,873,653.03	2,483,303.03	3,570,668.33	3,570,668.33	NA
Total USD	167,286.97				
Druk Consult International, (Individual Consultant): Sarpang Water Supply Intake	194,265.00		100	100	NA
Total USD	2,988.69				

¹⁵ BT works amounting to Nu. 60,021,493.59 have also been executed under the LAP

Compliance with Safeguards (QPR2_April to June 2022): Environment Component

Table 12: Status of Environmental Safeguards Compliance by contract package

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
SJM/WSS/001	Samdrup Jongkhar Water Supply and Sanitation and sewerage project.	IEE and EMP included in the bid document.	Final IEE and EMP updated in March 2020 and included in the bidding document. Revised final IEE of Samdrup Jongkhar water supply, sanitation and sewerage based on comments received from Project Manager, PMU, DES, MoWHS in April 2020.	Complied.
		Environmental clearance obtained.	EC valid up to 19/06/2023. Issued on 20 June 2018 vide Ref. No. NECS//EACD/S.Jongkhar-Thromde/3574/2018/42 dated 20/06/2018; issued by Officiating Secretary, NECS	Complied.
		Forestry clearance renewal.	Forestry clearance renewed vide letter No. SJD/FPES/FCC-2(B) 2020-2021/351 dated 12/4/2021 by Chief Forest Officer, Samdrup Jongkhar. Forestry clearance renewed till the completion of the subproject.	Complied
		Copy of CEMP.	Contractor prepared CEMP in March 2021 and submitted to PIU/PMU.	Complied.
		Environmental safeguards induction.	Environmental safeguards induction conducted virtually to PIU engineers and supervisors of Samdrup Jongkhar water supply, sewerage and sanitation subproject and contractor's engineers and supervisors of M/s Chimmi R.D. Construction Pvt Ltd on 15-16 July 2021.	Complied.

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
		Contractor appointed EHS supervisor	Contractor appointed Karma Kinley as EHS supervisor and his Mobile No. 17113516 and email id: Karmakinley794@gmail.com from November 2021.	Complied.
		Copy of SEMP	Contractor prepared SEMP for April, May and June 2022.	Complied.
		Daily toolbox talk conducted on site.	Toolbox talk conducted by the contractor once a week in April, May and June 2022.	Complied.
		Medical and first aid kits available on site.	2 numbers medical and first aid kits available at worker camps near Dungsam Arch Bridge.	Complied.
		Emergency contact details available on-site.	Emergency contact details are available onsite from June 2021 and the contact person is Mr. Karma Kinley, Project Engineer and contact # 17113516.	Complied.
		PPEs available on site and in good condition.	PPEs provided are helmets, safety boots, reflector vests, hand gloves and goggles in good conditions.	Complied.
		PPEs being used by workers.	PPEs are in use by the workers.	Complied.
		Firefighting equipment on site.	Contractor provided 2 fire extinguishers onsite from June 2021 and located at worker camps near the Dungsam Arch Bridge and the house owner has provided fire extinguisher for site office rented at Samdrup Jongkhar town. Fire extinguisher was available on-site during field visit in April 2022.	Complied.
		Sanitary facility for workers available on site.	Contractor's provided four toilets at worker camps 1 near Dungsamchhu Arch Bridge	Complied.

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
			and two toilets at worker camp 2 above archery ground.	
		Drinking water supply available for workers.	Drinking water supply with one water tanks with four taps at worker camps 1 near Dungsamchhu Arch Bridge and one water tank with one tap at worker camp 2 above archery ground.	Complied.
		A rest area for workers.	Rest area is available for workers as the works far away from the camps .	Complied.
		Storage areas for chemicals available and with protection and in safe locations.	The storage areas for chemicals are not constructed as the chemicals are not required for the construction.	Not applicable.
		Excavation areas provided with shores or protection from landslide.	Construction of RRM wall and reservoir tanks are in flat area and no deep excavations are required so no shores or protection are required.	Not applicable.
		Break time for workers provided.	One hour break time for workers are provided between 1-2 pm.	Complied.
		Type of collection vehicle in use.	Two dumper trucks are used in April 2022 and one number dumper truck each in May and June 2022.	Complied.
		Excavation areas provided with barricades around them.	Excavation areas are provided with reflecting ribbons and reflecting cones around them from April to June 2022.	Complied.
		Safety signages posted around the sites.	Safety signages are posted around the sites along pipe line trenching and laying, reservoir tanks constuction.	Complied.
		Solid waste segregation and management in place.	Solid wastes and kitchen food waste are segregated in separate waste bins. Solid wastes are collected from site office, workers camps and work sites twice in a	Complied. Complied.

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
		A regular collection of solid wastes from work sites.	week by Thromde waste compactor and dumped at Tromde landfill sites.	
		Contractor provided separate sanitary for various types of use (septic tanks, urination/stool, washing, etc).	Contractor provided six toilets urination/stool and two septic tanks and five water taps for washing in two worker camps.	Complied.
		Measures in place to avoid siltation of nearby drainage or receiving bodies of water.	No cleaning the drainage every week to avoid ponding and flooding of water.	Not applicable
		Silt traps or sedimentation ponds installed for surface runoff regularly cleaned and freed of silts and sediments.	Silt traps or sedimentation ponds installed for surface runoff regularly cleaned and freed of silts and sediments during April and May 2022 but not in June 2022 as it is not applicable.	Complied.
		Construction site watered to minimize generation of dust.	Water spraying to construction sites is not carried out during April, May and June 2022 as it is raining most of the time during the period and no dust escapes in the air.	Complied.
		Roads within and around the construction sites sprayed with water on regular intervals.	Water spraying to construction sites is not carried out during April, May and June 2022 as it is raining most of the time during the period and no dust escapes in the air.	Complied.
		Speed control for vehicles at construction sites.	Reflector cones with reflector ribbons are provided during trenching and pipe laying near the road sides to control speed of the vehicles.	Complied

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
		Stock piles of sand, cement and other construction materials covered to avoid being airborne.	Stock piles of cement, sand, aggregates and other construction materials are covered when transported to the work sites and cement is stored in the store to avoid being airborne in May and June 2022 but not covered in April 2022. Air quality monitored in April 2022.	Complied in May and June 2022 and need to comply in April 2022.
		Construction vehicles carrying soils and other spoils covered.	Construction vehicles carrying soils and other spoils covered during May and June 2022 but not covered in April 2022. Air quality monitored in April 2022.	Complied in May and June 2022 and need to comply in April 2022.
		All vehicles regularly maintained to minimize emission of black smoke and have valid permits.	All vehicles are regularly maintained to minimize emission of black smoke and have valid permits.	Complied.
		Work only taking place between 8 am and 6 pm.	Work only is taking place between 8 am and 6 pm but overtime work is continued from 6 pm to 9 pm when the work is incomplete but no noisy machine is engaged. .	Complied.
		Idle equipment turned off or throttled down.	Idle equipment are turned off or throttled down when no wok done.	Complied.
		Noise mitigation measures adopted at construction sites.	Construction activities are done during daytime from 8.00 am to 6.00 pm. Noise level monitored in April 2022.	Complied
		Neighboring residents notified in advance of any noisy activities expected at construction sites.	Neighboring residents were notified in advance of any noisy activities expected at construction sites.	Complied.
		Traffic signages available around the	Traffic signages are provided around the construction sites and nearby roads during April, May and June 2022	Complied.

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
		construction sites and nearby roads.		
		Excavation sites along roads provided with barricades with reflectors.	Reflector ribbons and cones are provided at excavation sites along roads during April, May and June 2022.	Complied.
		Excavation sites provided with sufficient lighting at night.	The construction activities were carried out after 6 pm during April, May and June 2022 and provided with sufficient lighting at night.	Complied.
		Contractor has recording system for SEMP implementation.	Contractor has maintained recording system for SEMP implementation during April, may and June 2022.	Complied.
		Daily monitoring sheets accomplished by Contractor EHS supervisor or properly compiled.	Daily monitoring sheets maintained in the site office during April, may and June 2022.	Complied.
		Project information board available at project site.	Project information board posted at site office and construction sites and contact details of client and contractor is provided but need to include additional information..	Complied.
		Contractor has office on- site.	Contractor rented site office at Samdrup Jongkhar town.	Complied
SJM/WS/002	Dewathang water supply augmentation subproject	To include IEE and EMP in the Standard Bidding Document (SBD),	Final IEE and EMP revised in June 2022 to include in the SBD.	Complied.
		Environmental clearance renewal.	Environmental Clearance is obtained vide letter No. SDA/DEC-7/2017-18/3201 date 06/12/2017 and to renewed vide No. .	Complied.

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
			SDA/DEC-7/2019-20/3512 date 10/12/2019 and valid up to 09/12/2023.	
		Forestry clearance renewal.	Forestry clearance renewed vide SJR/PPEU/FC-09(D)/448 dated 16/05/2022.	Complied
		Environment safeguards induction conducted.	Environment safeguards induction will be conducted once the package is awarded to the contractor.	Work package yet to award.
		Public consultation conducted.	Public consultation conducted at Dewathang Thromde office in 26 April 2022.	Complied.
		Road clearance	Clearance for laying of water transmission line from Morongchhu to Dewathang issued vide DoR/ROSJ/2019-2020/MD-20/3117 dated 06/12/2022 of Department of Roads, Samdrup Jongkhar.	
SJM/WS/003	Dewathang Construction WTP	To include IEE and EMP in SBD.	Final IEE and EMP will be revised to include in SBD.	Final IEE and EMP will be updated before tendering the SBD.
		Environmental clearance renewal.	Environmental Clearance is obtained vide letter No. SDA/DEC-7/2017-18/3201 date 06/12/2017 and to renewed vide No. . SDA/DEC-7/2019-20/3512 date 10/12/2019 and valid up to 09/12/2023.	Complied.
		Community Forestry clearance	Public consultation conducted on 23/06/2022 vide SJT/ID/16/2021-2022/2453.	Public provide No objection clearance to pass 160 mm DI pipe through forests and construction of approach road and all forest products affected to hand over to the community forests group

Package No.	Package Description	Environmental Safeguards Compliance	Action to be taken	Actions taken
				members and provide one tap for use by communi from WTP.
		Environment safeguards induction conducted.	Environment safeguards induction will be conducted once the package is awarded to the contractor.	Work package yet to award.
TW/WS/003	Rangjung Water Supply subproject	Construction of Rangjung water supply subproject.	Construction of Rangjung water supply subproject completed on 8 July 2021 and handed on 5 November 2021.	Complied.
SM/UR/001 & SM/UR/002	Development of Shechamthang LAP Infrastructure Package I and II	Development of Shechamthang LAP- infrastructure, road, drainages and water supply subproject	Development of Shechamthang LAP- infrastructure, road, drainages and water supply subproject completed and handed on 13 July 2021. Project Completion Report due.	Complied.
SM/UWS/002	Sarpang Water Supply Development Subproject.	Construction of Sarpang water supply Development subproject.	Construction of Sarpang Water Supply Development subproject completed and handed on 09/04/2020. Project Completion Report due.	Complied.
TW/WS/002	Trashigang water distribution network improvement subproject	Construction of Trashigang water distribution network improvement subproject.	Construction of Trashigang water distribution network improvement project completed and the project handed on 18/05/2020. Project Completion Report due.	Complied.

Note: This report is based on information received from PMSC site engineers, PIU Samdrup Jongkhar and communication through telephone, email, WhatsApp, etc and site visit in April 2022.

Table 13: Status of Social Safeguards Compliance by contract package for period January- March 2022

Package No.	Package Description	Social Safeguards Compliance	Action to be taken	Actions taken
Sarpang Water Supply Project	Water supply lines from source at Laringchu.	<p>Sub-project completed and handed over on 9 April 2020. There are no outstanding social issues in the project. All social due diligence requirements have been completed.</p> <p>Further, the Contractor has completed defect liability period of one year. Rectification and restoration works were carried out along alignment. No complaint emerged from people across whose private land pipeline sections are aligned.</p>	None	None
Shechamthang LAP Development [SM/UR/001]	Provision of roads, water supply and sewerage for Shechamthang	<p>The project was handed over on 13 July 2021.</p> <p>Before project closure, PIU was advised to conduct final consultations to take stock of pending social issues, compensation payments if any and to address all complaints. This was not done.</p>	PIU requested before closure of project to conduct consultations and submit this document. Reminded again in June 2022.	To comply
Shechamthang LAP Development [SM/UR/002]	Provision of roads, water supply and sewerage for Shechamthang	<p>The project was handed over on 20 June 2021 by the Contractor to the Dzongkhag.</p> <p>Before project closure, PIU was advised to conduct final consultations to take stock of pending social issues, compensation payments if any and to address all complaints. The PMSC since the last quarter of 2021 had requested an exit meeting with the public to settle any outstanding matters related to social impacts, compensations etc.</p>	PIU to hold consultations with public even if project completed to address any public complaints	To comply

Package No.	Package Description	Social Safeguards Compliance	Action to be taken	Actions taken
Trashigang Water Supply Rehabilitation Project	Work started in October 2018.	<p>Project completed and handed over on 18 May 2020 by the Contractor to the Dzongkhag. No outstanding social issues in the sub-project. Except, few documents requested by ADB have been requisitioned from the PIU already last quarter. The documents were to be attached with the SSMR.</p> <p>Most documents of the requested have been received and submitted to ADB in the SSMR. One more document requisitioned from PIU, that is, the updated land ownership certificate of the Trashigang water rehabilitation scheme is pending.</p>	PIU requested to submit this. PIU again reminded in early June 2022 and again before preparation of this quarterly report.	To be complied
Rangjung Water Supply Rehabilitation Project	Works started on 25 November 2019	In March 2021, the DLTC rejected the provision of water tapping points from the BPTs which are on private land and instead approved payment of compensation according to PAVA rates to the five landowners on whose land BPTs are partially located. Consultations have been carried out. However, compensations due. The PMSC since the last quarter of 2021 had requested an exit meeting with the public to settle any outstanding matters related to social impacts, compensations etc.	<p>PIU to conduct payment of compensations in a consultative session and to submit documentation as requested.</p> <p>PIU reminded again in June 2022 and before preparation of this QPR.</p> <p>This is a serious concern for ADB because the project has been completed and handed over but the compensations have not been paid. PIU needs to pay the compensations and submit evidence of payments. If affected people ask someone else to receive the payments, they have to issue an</p>	To comply

Package No.	Package Description	Social Safeguards Compliance	Action to be taken	Actions taken
			authorization letter for that person to receive the payments on their behalf and submit this letter to the PIU only after which the payment can be disbursed.	
Dewathang water supply Scheme	Work not started as yet.	The DMS to be done on finalization of designs to ascertain social and environmental impacts.	PIU to conduct the DMS for Dewathang later when work is awarded.	To be complied
SJM/WS/003¹⁶ Construction of WTP at Dewathang		No social safeguards issues with this sub-project which has achieved readiness socially for the project to commence.	No action required	None
SJM/WSS/001 SamdrupJongkhar Water Supply and Sewerage Project	Works started end of 2020.	<p>Six individual owners and seven institutions were going to be affected by the drinking water pipeline. However, their plots and property have been avoided after pipeline was aligned along plot boundaries.</p> <p>One landowner's (Thram No. 166 and Plot number SGT-303. Owned by jointly owned by Wangchuk Norbu, Dorji Dema & Lt. Chhimi Dorji) have a verandah in front of the shop affected for which the PIU has estimated the cost of the sheds for compensations amounting to Nu. 160,116.97. The compensations is being processed.</p> <p>PIU has conducted the DMS for the sewerage component of the sub-project. 11 properties of private</p>	Compensations to be paid as soon as possible	To comply

¹⁶ To be confirmed whether if this will be a separate package

Package No.	Package Description	Social Safeguards Compliance	Action to be taken	Actions taken
		owners and institutions have been affected since the manholes will be located on their properties. However, PIU has demarcated the relocation of the man holes and has implemented this saving the plots and properties which otherwise would have been affected. A few locations were also inspected by the SDGSS during the May 2022 visit to project sites.	none	

7. Stakeholder Communication, Participation and Consultation

Awareness events, Summary of consultations, Public informed of works, road closures, NGO activities.

1. Sarpang Water Supply Project

The project was completed on 30 March 2020 and handed over on 9 April 2020. No further consultations have been conducted by PIU.

2. Shechamthang LAP Development

PIU was advised to conduct an exit meeting before project closure. Package 1 was handed over during the reporting period (July 2021) but no consultative meeting carried out as advised by PMSC. PIU was again reminded in early December 2021 and again in June 2022 before preparation of QPR2, 2022. However, no consultations have been carried out during the report period for the LAP beneficiaries.

3. Trashigang Water Supply Rehabilitation Project

No consultations have been carried out during the quarter since this project has been completed and there are no outstanding issues.

4. Rangjung Water Supply Rehabilitation Project

No further consultations were carried out during the reporting period. However, the design team visited the subproject and met PIU/DLTC during June 2021. PIU had been advised to conduct third party consultations with the 8 affected persons of Rangjung whose compensation at PAVA rates was approved for land loss due to location of BPTs and alignment of some sections of pipeline on their land. This was done but compensations are still pending. PIU was reminded in December 2021 and again in June 2022 but PMSC has received no information of this being carried out.

5. Samdrup Jongkhar Water and sewerage Project

The PIU has met several complainants on site during the quarter to receive and address their grievances.

6. Dewathang Water Supply Augmentation Project

No consultations have been carried out during the quarter. The IEE and EMP have been updated and submitted to PMU for review and further submission to ADB for endorsement and subsequent inclusion in the Bid document.

8. Work Progress and Progress Review Meetings

1. Sarpang Water Supply development project

Work Progress: Physical Progress- 100% and Financial Progress-100%, Time elapsed 96.92% as on handing-taking over date. The contractor successfully complete work well within the stipulated contract duration.

2. Development of Shechangthang LAP Infrastructures; Roads, Drainage and Water Supply Project

Package 1 [SM/UR/001]: Work progress: Physical Progress – 100% and Financial Progress-100% and time elapsed 100%. Additional work (Road, drain, walls etc) amounting to Nu. 11.049

M have been awarded to the same contractor and the total contract award value stand at Nu. 183, 130,613.54.

Package 2 [SM/UR/002]: This package comprises of additional works mainly roads, retaining walls and drains to make the LAP complete and logical. Additional works amounting to Nu. 3.926m have been added to this package totaling to Nu. 29.897m. The physical progress is 100%, Financial progress is 100% and the time lapsed is 100%. The project is taken over on 9th June 2021.

4. Trashigang water distribution network improvement project

Work progress: Physical Progress is 100%, Financial Progress- 100 %; Time elapsed 100%

The total contract value was 37,073,080.90 including additional work (walls, pipes resulting from pipes realignment etc) amounting to Nu. 2.20 million. The final value of works done is 33,410,398.92 resulting in savings of Nu. 3,660,685.98. The PMU/PIU decided to implement the water meter connection departmentally and this component of the work was removed from the contractor's scope of works.

5. Rangjung intake and WTP rehabilitation project

The project comprises of Intake construction, c/o Transmission lines, Clear water reservoir and the water meter connections. The work commenced on 25 November 2019 with contract duration of 15.5 months (upto March 10, 2021 with time extension). The physical progress of the work is 100%, Financial progress is 90% and the time elapsed is 131.90%. For additional time extension upto 13 June 2021 was given to the contractor. The contract was completed on 14 September 2021 and project taken over on 5 November 2021.

6. Samdrup Jongkhar water and sewerage project

a. Work progress and PRM

The overall progress of the work is 41.87% and the financial progress is 37.30% (Nu. 89,780,645.95) as of June 30, 2022. The sub-project time elapsed stands at 57.96% as of June. The details of all updated work plan vis-a vis achievement is attached in the Appendix-I.

b. Progress Report Meeting

Progress report meeting was due for a long time since the beginning of the project. This couldn't be carried out due to the restrictions under covid-19 protocol. The first PRM was convened on 14, April, 2022 and discussed on the progress, QA/QC, hindrances and other related issues. The MoM for the same are attached.

c. Problems and Constraints

The recent monsoon damages have hampered the contractor's progress.

d. DMS for Sewer Network

The detailed measurement for sewer network carried out by the Thromde survey section to assess any social and environmental issues related to the project. Around 11 properties of private individuals and institutions were going to be affected by manholes which were located within their land and properties as per the design. All of these manholes have been relocated to government land and thereby saving any impact and need for consequent compensation. The SDGSS also visited a few such impact sites during his visit in May 2022.

e. Existence of Pipelines and utility cables

This is as reported in the earlier QPR and it continues to be the same still. Due to the lack of inventory records with the concerned agencies, there are frequent damages of underground power cables and telecommunication networks, water pipelines and other utility facilities. However, such issues are solved through coordination meetings with the involving counterparts; Bhutan Power Cooperation, Bhutan Telecom Limited and Thromde.

9. Compliance of Particular Covenants Specified under Schedule 5 of Loan Agreement

As provided under Article IV, “Particular Covenants” of the Loan Agreement, in the carrying out of the project and operation of the project facilities, the IA and the EA shall perform all obligations set forth in Schedule 5 to the Loan Agreement and the Project Agreement. This section of the QPR specifies the status of achieving those particular covenants specified under Schedule 5 to the Loan Agreement.

Table 14: Compliance with Loan Covenants (Loan 3674- BHU: Secondary Towns Urban Development Project)

Article IV- Particular Covenants		
Section	Particulars	Action Taken
Sec. 4.01	In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.	Being complied
Sec. 4.02 (a)	The Borrower shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors’ opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.	<p>APFS has been last conducted as follows:</p> <ul style="list-style-type: none"> • For FY2018-2019 during Dec 2019 to Jan 2020 • For FY2019 -2020 report issued in June 2021 • For F2020-2021 auditing conducted and initial report issued <p>APFS FY19 including opinion on use of loan proceeds and management letter have been submitted to ADB</p>
Sec. 4.02 (b)	ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB’s confirmation of their acceptability by posting them on ADB’s website.	<ul style="list-style-type: none"> • APFS (July 2019-June 2020) is posted on ADB’s website • APFS has been last conducted for F2020-2021 auditing conducted and initial report issued.

Sec. 4.02 (c)	The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.	<ul style="list-style-type: none"> No request was received from ADB for a discussion with the auditor
Sec. 4.03	The Borrower shall enable ADB's representatives to inspect the Project, the Works and Consulting Services, and any relevant records and documents.	No request was received from ADB for inspection of records and documents
Schedule 5- Execution of Project		
Implementation Arrangements	1. The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by The Borrower and ADB. In the event of any discrepancy between the PAM and the Loan Agreement, the provisions of this Loan Agreement shall prevail.	Being complied
Environment	2. The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEEs, the EMPs, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	The provisions are provided in the Bidding documents and PMU/PMSC will monitor the compliance by the PIUs/Contractor.
Land Acquisition and Involuntary Resettlement	3. The Borrower shall ensure that: (a) all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (i) all applicable laws and regulations of the	Payment of compensation to the five landowners on whose land BPTs and three others whose land is affected by pipeline (total – 8) are partially located in Rangjung sub-project will

	<p>Borrower relating to land acquisition and involuntary resettlement; (ii) the Involuntary Resettlement Safeguards; and (iii) all measures and requirements set forth in the RP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report; and;</p>	<p>have to be compensated and reminder sent to do this before project closure. Likewise, the one plot (owned jointly by three owners) in Samdrup Jongkhar town affected by the water line were supposed to be processed for payment. PIU was reminded in early December 2021 and before the 2022 1st QPR reporting period to expedite the compensations and the consultative and exit meetings for the Rangjung sub-project and in Samdrup Jongkhar.</p>
	<p>(b) no Works involving involuntary resettlement impacts are commenced until ADB has cleared the final RP of each package.</p>	<p>Corrective actions regarding compensation to be completed as per agreed timelines in the Corrective Action Plan</p>
<p>Indigenous Peoples</p>	<p>4. The Borrower shall ensure that the Project does not involve any indigenous peoples' impacts within the meaning of the SPS. In the event the Project involves any such impacts, the Borrower shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.</p>	<p>There are no indigenous peoples' impacts under the project.</p>
<p>Labor Standards, Health, and Safety</p>	<p>5. The Borrower shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced</p>	<p>The clauses have been included in the bid document and are being monitored through SEMP's and full time deployment of PMSC supervision consultants at the project sites. Besides, the GAP Implementation Team too is monitoring the employment of women by Contractors</p>

	<p>labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women. The Borrower shall strictly monitor compliance with the requirements set forth above and provide ADB with regular reports.</p>	<p>for wage differentials and child labour under Samdrup Jongkhar sub-project.</p> <p>The awareness campaign for environment, health (risk of STD, HIV/AIDS) conducted to contractor staff and workers.</p>
Gender and Development	<p>6. The Borrower shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.</p>	<p>The NGO, Tarayana Foundation recruited for the GAP implementation has carried out outreach activities, gender and GEMS indicator development and inclusion in NCWC's system, communication and media development, and has also completed the field work for the baseline survey.</p>
Human and Financial Resources to Implement	<p>7. The Borrower shall make available necessary budgetary and human resources to fully implement the EMPs.</p>	<p>Being Complied</p>
Safeguards- Related Provisions in Bidding Documents and Works Contracts	<p>8. The Borrower shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(a) comply with the measures relevant to the contractor set forth in the IEE and the EMPs and any corrective or preventative actions set forth in a Safeguards Monitoring Report;</p> <p>(b) make available a budget for all such environmental and social measures;</p> <p>(c) provide the Borrower with a written notice of any unanticipated environmental risks or impacts that arise during</p>	<p>The provisions of the contract to include social aspects such as Child labour, women employment, HIV AIDS awareness etc., are adequately covered in the PCC of the bidding documents.</p> <p>Environment safeguards provisions such as use of PPEs, Covid-19 SOP and quarantine, health(testing of workers' health at entry point, first aid box and safety, air & water quality and noise level tests are made part of</p>

	<p>construction, implementation or operation of the Project that were not considered in the IEEs and the EMPs;</p> <p>(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and</p> <p>(e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p>	<p>bidding documents and works contracts.</p> <p>No any unanticipated environmental risks or impacts have occurred during construction/ implementation so far.</p> <p>Taking stock of roads condition, agricultural land and other infrastructure prior to starting to transport materials and construction are being complied.</p> <p>This is included in section 8 of the bidding document.</p>
Safeguards Monitoring and Reporting	<p>9. The Borrower shall do the following:</p> <p>(a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEEs and the EMPs, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMPs promptly after becoming aware of the breach.</p>	<p>Being complied SEMR report for August 2021 to January 2022 submitted on 15 February 2022.</p> <p>Being complied No unanticipated environmental impacts were reported during the last SEMR (August 2021 to January 2022).</p> <p>Being complied No actual or potential breach of compliance with measures and requirements set forth in the EMP reported for the quarter.</p>
Prohibited List of Investments	<p>10. The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.</p>	<p>Being complied</p>

Counterpart Support	11. The Borrower shall make available through budgetary allocations or other means all counterpart funds required for timely and effective implementation of the Project, including funds to mitigate unforeseen environmental and social impacts, and to cover any financing gap arising from design changes, price escalation in construction or installation costs or other unforeseen circumstances. In addition to the foregoing, the Borrower shall ensure that it has sufficient funds to satisfy its liabilities arising from any Works and/or Consulting Services contract.	Being complied No unforeseen environmental impacts were reported for the period.
Governance and Anticorruption	12. The Borrower and the implementing agencies shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.	Being complied
	13. The Borrower shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.	Being complied
Operation and Maintenance	14. The Borrower shall, by 31 December 2021, develop and implement a program for regular and periodic maintenance of the facilities to be financed by the Project in accordance with international best practices acceptable to ADB, and make adequate resources available, through budgetary allocations or otherwise, for this purpose.	Not yet due

10. Work Plan for this Quarter and Next Quarter

Planned v/s actual achievement during this quarter based on contractor's work plan have been attached as **Appendix 1** as follows:

1. Water supply and Sewer network sub-project Samdrup Jongkhar

11. Progress Against Project DMF

DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with

Balanced and sustainable development of human settlements in Samdrup Jongkhar, Sarpang, and Trashigang ensured (Eleventh Five-Year Plan, 2013–2018)^a

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Achievement in quarter	Achievement to date
Outcome Quality, efficiency, and sustainability of urban services improved	By 2024: Samdrup Jongkhar, Sarpang, and Trashigang towns: a. 24x7 water supply provided to 90% of household and institutions (2017 baseline: average 12 hours daily water supply provided to 60% of households and institutions) b. Nonrevenue water reduced to not more than 15% (2017 baseline: average 50%) c. 100% of annual O&M cost of project facilities financed by government transfers, revenues, and tariffs (Baseline: n/a)	a–b and d–e. PMU Project completion report c. financial statements of Sarpang and Trashigang <i>dzongkhags</i> and Samdrup Jongkhar <i>thromde</i>	Refer this QPR including workplan Nil Nil	Samdrupjogkhar water supply and sewerage sub-project is under implementation and Dewathang water supply sub-projects yet to be procured. PPMS developed and same shall be implemented by PMU/PMSC and PIU till the closure of STUDP project. To be assessed by Institutional expert after recruitment

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Achievement in quarter	Achievement to date
	<p>Samdrup Jongkhar town: d. Collection of sewage increased to 75% (2017 baseline: 25%)</p> <p>Sarpang town: e. 8.5 hectares of urban land developed for mixed use (2017 baseline: 0)</p>		<p>Nil</p> <p>achieved</p>	<p>Approx 8.5 hectares developed for mixed use.</p>
<p>Outputs 1. Urban infrastructure expanded and/or upgraded</p>	<p>By 2023: Samdrup Jongkhar, Sarpang, and Trashigang:</p> <p>1a. A total of 46.8 km of additional water transmission lines constructed, 36.7 km of new distribution pipelines constructed, and 2.5 km of existing water transmission pipelines upgraded and/or rehabilitated (2017 baseline: 32.3 km existing transmission lines, 0 km distribution lines)</p>	<p>1a–g. Quarterly progress reports, review mission reports, municipality statistics, and MOWHS annual reports</p>	<p>Refer this QPR including workplan</p>	<p>Under Sarpang water supply subject total of 12.31 km of Raw Water Main Line from Source to WTP have been provided and laid. One each intake and grit chamber completed. 3 BPTs, 928 number of concrete thrust blocks and 72 m suspension bridge for installing water main have been constructed.</p> <p>Under Trashigang water supply subproject a total of 16.70km Water distribution network have been completed. A 230m³ CWR and 2 BPTs 10 and 5m³ have also been completed.</p> <p>Under Rangjung Intake and WTP</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Achievement in quarter	Achievement to date
				<p>rehabilitation project, intake works completed but buried by mud slide. c/o Grit chamber completed. 08 number BTPs of 10m³ each have been completed. One number 230m³ CWR completed. A total 6.5km transmission line completed. However, damaged transmission line between intake and grit chamber due to be restored.</p> <p>Dewathang subproject yet to be procured.</p>
	<p>1b. Six new ground-level service reservoirs constructed with a total storage capacity of 1,300 m³ (2017 baseline:0)</p> <p>1c. Two new water intake structures with 3.5 MLD capacity constructed (2017 baseline: 0)</p> <p>1d. One WTP with a capacity of 1.2 MLD constructed and commissioned and one WTP upgraded to 1 MLD (2017</p>			<p>As mentioned above, one each 200m³ CWR completed under Trashigang Town and Rangjung Intake and WTP rehabilitation project.</p> <p>Two new water intake one each under Sarpang water supply sub-project and one at Rangjung water supply sub-project completed.</p> <p>Nil</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Achievement in quarter	Achievement to date
2. Capacity of institutions and local communities strengthened	<p>baseline: 0 and 1 WTP with 0.6 MLD capacity)</p> <p>1e. 800 new metered water supply connections provided (685 residential and 115 institutional) (2017 baseline: 0)</p> <p>Samdrup Jongkhar: 1f. 2.5 km of sewage collection pipelines constructed with 250 new connections provided (210 residential and 40 institutional), (2017 baseline: 0 km sewage collection pipeline, 0 connections)</p> <p>Sarpang: 1g. 9.0 km of new and improved drains and 3.74 km of new roads constructed (2017 baseline: 0 km drains, 0 km roads)</p> <p>By 2023: Samdrup Jongkhar, Sarpang, and Trashigang:</p>	2a–d. Quarterly progress reports, review mission reports,	<p>Construction activities under Samdrup Jongkagr commenced from 12 Nov 2020.</p> <p>Refer this QPR including workplan</p>	<p>367 number metered water completed under Trashigang water distribution network sub-project.</p> <p>113 numbers of metered water installed under Rangjung augmentation project.</p> <p>Nil</p> <p>6.5km of new road and 4.3 km of new drain completed under Shechamthang LAP</p> <p>Nil- pending recruitment of Institutional expert. The Eol for</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Achievement in quarter	Achievement to date
	<p>2a. Staged water tariff framework developed (2017 baseline: n.a.)</p> <p>2b. At least 3,500 people (at least 40% women) report improved knowledge on gender and public-health-related issues such as water conservation, solid-waste segregation and reduction, and water, sanitation, and hygiene (2017 baseline: 0)^b</p>	MOWHS annual reports		<p>recruitment of IE is uploaded in ADB website recently.</p> <p>The NGO is implementing this activity through community outreach and workshops</p>
	<p>2c. 50 staff from PMU and PIUs and other municipal units reported improved knowledge and skills in O&M and asset management of municipal infrastructure, of which at least 25% are women (2017 baseline: n.a.)</p> <p>2d. Project gender equality results monitored through GEMS of the National Commission for Women and Children (2017 baseline: n.a.)</p>			<p>Nil-pending recruitment of urban infrastructure expert.</p> <p>The GAP team has incorporated gender indicators for STUDP in the GEMS monitoring database, oriented GAP and STUDP personnel in the use of the system</p>

Key Activities with Milestones

1. Urban infrastructure expanded and/or upgraded

1.1 Statutory environmental clearances for subprojects obtained (Q1 2018–Q4 2019)¹⁷

- Environment and Forestry clearance have been obtained for all the sub-projects. However, for both the clearances, date of expiry is attached and requires timely renewal till the completion of the project. For Samdrup Jongkhar water supply, sanitation and sewerage subproject, the validity of forestry clearance has expired, for Dewathang water supply augmentation and construction of WTP sub-projects, the validity of both the clearances has expired and Samdrup Jongkhar Thromde PIU is required to renew the same prior start of the project implementation. For development of Shechamthang LAP infrastructure package 1 and 2, the environmental clearance has been renewed on 30th September 2020 as the subprojects are ongoing and the validity of EC is for two years (up to 30/09/2022).

1.2 Detailed engineering designs completed for all subprojects (Q2 2019)

Design status:

- For a combined package at SMJ: Rehabilitation of Samdrup Jongkhar Water Supply System and Sanitation and Sewerage project, concerning sanitation and sewer part the estimate for SJ sewer networks and house connection including the design of bridge over seasonal stream (dry nallah) completed and made part of the bidding document.
- However, a more detailed assessment on the house sewer connection with regard to cost estimate would facilitate the smooth implementation of the sewer subproject under Samdrupjongkhar Thromde.
- For Dewathang water supply Scheme: With regard to Land acquisition/compensation for WTP the Thromde resolved in its meeting of 22 January 2021 to pay the two landowners at negotiated rate as planned earlier. The compensatory payments were made on 30 April 2021. Thereafter, there are no social issues which would hinder the uptake of the sub-project. The updation of IEE and EMP is carried out and submitted just after the reporting period.
- WSD/PMU, DES, have completed the inclusive design that will take care of Water Flagship Programme component of RGoB and ADB. The design and cost estimate is being forwarded to ADB for endorsement for procurement. However, it must also be noted that any re-design of the main line should avoid any encroachment on private land and private properties to ensure that the project is free of any social issues which may otherwise entail additional consultations, survey of both affected properties and socio-economic survey of affected households, estimation of assets and subsequently compensation for the affected land and properties.

1.3 Civil works contracts awarded ensuring gender-sensitive designs (Q3 2018–Q3 2020)

1.4 Water supply systems completed and commissioned (Q1 2020–Q1 2023)

- Sarpang water supply sub-project, Trashigang and Rangjung water supply improvement sub-projects completed and taken over by Sarpang and Trashigang Dzongkhag Administration respectively.

2. Capacity of institutions and local communities strengthened

¹⁷ The dates in the bracket are planned or Agreed schedule as per PAM and subsequent Mission visits

Key Activities with Milestones
<p>2.1 Gender focal persons appointed in PIUs (initial target Q2 2018)</p> <ul style="list-style-type: none"> Gender focal persons appointed in most of the PIUs. GAP Implementation Team and STUDP members oriented on the online GEMS. Community outreach and workshops conducted. <p>2.2 Project GEMS established and functional (initial target Q3 2018)</p> <ul style="list-style-type: none"> The CSO, Tarayana Foundation, was selected to carry out the GAP/GEMS on 4 May 2021. GEMS has been developed and activated at the NCWC website. GAP Implementation and STUDP Team have been trained on the use of the online GEMS. <p>2.3 Training plan for municipal and dzongkhag administration urban officers prepared (initial target Q3 2019)</p> <ul style="list-style-type: none"> List of trainings prepared and trainings and workshops conducted /attended so far could not be compiled by PMSC owing to lack of data/information from PMU. An induction workshop of safeguard was conducted under PIU Trashigang for, Trashigang water supply sub-project, Ranjung Sub-project and under Sarpang PIU for Sarpang water supply sub-project and Development of LAP sub-projects and SJ sub-project separately by PMSC Social & Gender and Environment safeguard specialists during the 2019 and 2021. List of training/workshop attended by PMU/PIU not made available to PMSC <p>f. Training on O&M of urban infrastructure conducted (initial target Q2 2020–2023)</p> <ul style="list-style-type: none"> Urban infrastructure trainer yet to be recruited <p>g. Tariff increase implementation guidelines and action plans finalized (initial target Q2 2020)</p> <ul style="list-style-type: none"> Institutional expert recruited on 20 May 2022 to take up this job.
<p>Project Management Activities</p> <ol style="list-style-type: none"> Individual consultants for detailed engineering designs recruited (Q2 2017–Q1 2019) <ul style="list-style-type: none"> Few consultants were recruited prior November 2018 to carry out this activity and no recruitment have taken place after November 2018. Project management and supervision consultant firm recruited (Q3 2018) <ul style="list-style-type: none"> The PMSC has been recruited w.e.f. 15 November 2018 and is under implementation. NGO for GAP implementation recruited (initial target Q4 2019) <ul style="list-style-type: none"> The NGO for GAP implementation was recruited in May 2021. The NGO selected is Tarayana Foundation. They started activities in earnest in June 2021. Institutional development specialist recruited (initial target Q2 2019) <ul style="list-style-type: none"> Institutional expert recently recruited.
<p>Inputs</p> <p>ADB: \$10.0 million (concessional loan from ordinary capital resources) Government: \$2.0 million</p>
<p>Assumptions for Partner Financing</p> <p>Not applicable</p>

^a Government of Bhutan, Gross National Happiness Commission. 2013. *Eleventh Five-Year Plan, 2013–2018*. Thimphu. The Twelfth Five-Year Plan is under preparation as of May 2018.

^b This target is based on observed women's participation in the consultation activities during the project preparatory period, which averaged 30%.

12. GAP Implementation Monitoring Report

Updated as of 30 June 2022 (For the period April-June 2022)

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
Output 1. Urban infrastructure expanded and/or upgraded (Sarpang, Trashigang and Samdrup Jongkhar)			
Activity 1.1: Raise awareness on the benefits and importance of the project to the target population, especially women.	1.1.1. Project awareness workshops conducted for residents in each project town (2017 baseline: 258 people; 30% women) (Target: Total 600 residents, 30% women)		
Activity 1.2: Orient program staff and contractor(s)'s teams on complying with core labor standards, including ensuring women's equitable access to construction jobs including equal pay for work of equal value of women and men.	1.2.1 Provisions for preferential employment of women laborers provided in all construction-related works (skilled/unskilled)		
	1.2.2 All bidding documents include relevant clauses on CLSs, such as equal pay for work of equal value of women and men.		
	1.2.3 All contractors maintain labor registers showing name, sex, and wage of workers (2017 baseline: n/a)		
	1.2.4 One on-site orientation per works contract conducted for contractors' teams and PIU staff on key gender concepts and compliance with CLS		
Activity 1.3: Ensure access of vulnerable households and FHHs to water connection (with water meters) and connection to drainage or sewerage.	1.3.1 New connections to improved metered water supply provided (2017 baseline: total of 448 existing metered connections in three towns) (Target: 800 connections, 100% connections for FHHs and poor in coverage area)		
	1.3.2 New connections to networked sewerage provided (2017 baseline: 112 existing connections) (Target: 250 additional connections, 100% connections for FHH and poor in coverage area)		

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
<p>Activity 1.4: Establish sex-disaggregated data base of vulnerable households and FHHs and assess impact of the project's improved water supply services on female beneficiaries assessed.</p>	<p>1.4.1 Master list of vulnerable households and FHHs, including socio-economic profile covering 100% of the population in the three towns prepared (2017 baseline: n/a).</p>	<p>Baseline survey:</p> <p>The baseline survey in Trashigang, Rangjung and Sarpang (Shechamthang town, Sarpang Tar and Chokorling) could be executed as per the plan. The questionnaires were digitized and were accessible from the smart phones.</p>	
	<p>1.4.2 Baseline information on women's time poverty prevalence of waterborne disease and satisfaction with water quality collected (2017 baseline: n/a) (Target: one assessment per town, 300 beneficiaries).</p>	<p>Sarpang</p> <p>The enumerators training took place on 30th April and the survey started from 4th May until 24th May. Treatment group in Shechamthang was covered from 4th May to 10th May and the Control group in Chokorling was from 16th May to 24th May. The sample size for Shechamthang town was 115 households out of 137, Sarpang Tar - 215 out of 350 households and for Chokorling it was 179 households out of 325. 12 enumerators (11 female, 1 male) were deployed for the Treatment group (six in Shechamthang and six in Sarpang Tar) and four female enumerators conducted the survey in the Control group.</p>	
	<p>1.4.3 Impact of project on women in terms of reduction in time poverty and waterborne diseases and satisfaction with water quality assessed (Target: one assessment per town, 300 beneficiaries, demonstrating increased satisfaction).</p>	<p>Trashigang</p> <p>Enumerators and Supervisors were trained on 30th April and the survey for the Treatment group was from 4th May until the 11th May and amongst the Control group in Khaling, it was conducted from 16th May till 20th May. The sample size for Rangjung was 106 out of 186 households and for Trashigang, it was 200 out of 498 households. For Control group in Khaling, it was 135 out of 206 households. A total of 12 female enumerators conducted the survey in the Treatment Group and 4 female enumerators conducted the survey in the Control Group.</p>	<p>The IT expert has compiled the survey findings and have handed over the raw data to the Statistician. The Statistician will now carry out a quantitative statistical analysis of the survey data which will then be integrated into the overall GAP implementation report.</p>

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
		<p>Sampling technique used in both the project sites was the simple random sampling.</p> <p>Baseline survey in Samdrup Jongkhar & Dewathang</p> <p>The baseline survey in Samdrup Jongkhar was successfully conducted from 27th to 30th June and from 3rd to 4th July in Deothang. The survey was conducted by 10 enumerators (3 male and 7 female). The sample size in Samdrup Jongkhar was 250 out of 550 households while in Deothang it was 121 out of 180 households.</p>	
Output 2. Capacity of institutions and local communities strengthened			
<p>Activity 2.1: Establish institutional mechanisms for effective GAP monitoring and implementation</p>	<p>2.1.1 Project gender results monitored through the GEMS of the NCWC (2017 baseline: n/a).</p> <p>2.1.2 One gender focal person in PMU and each PIU designated and trained in use of project. GEMS (2017 baseline: 0) (Target: four).</p> <p>2.1.3 Semi-annual gender monitoring reports with recommendations for successful GAP implementation prepared (2017 baseline: n/a).</p> <p>2.1.4 Minimum 20% women in project staffing (2017 baseline: n/a).</p>		
<p>Activity 2.2: Conduct capacity building workshops on gender mainstreaming or municipal infrastructure and awareness seminars on human trafficking issues and mitigatory measures for key stakeholders (PMU, PIUs, border zone police, contractors)</p>	<p>2.2.1 100% staff of PIUs and PMUs reported better appreciation of and skills in WASH practices, social participatory planning and implementation approaches and mitigation of key risks such as HIV/AIDS and human trafficking (2017 baseline: 0%) (Target: 15 staff with 20% women).</p>	<ul style="list-style-type: none"> The GAP team has been preparing to conduct the capacity building workshops in all the project sites. Besides the expertise of the GAP team, few relevant trainers from National Commission for Women and Children (NCWC), Royal Bhutan 	<p>This activity is planned for September 2022 and the details of the programme is as follows:</p> <p>Day one – Meeting with PIU</p> <p>- Site visit</p>

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
	2.2.2 Representatives of all contractors reported improved sensitivity to gender issues and gender mainstreaming in urban infrastructure development (2017 baseline: n/a) (Target: eight people).	Police and Lhak-Sam ¹ will be assisting for the conduct.	<ul style="list-style-type: none"> - Award to the winners of digital art work - Meet Women's group - Day two – Sensitization on the GAP themes to PIU, health officials, local police, women's group and selected community members from among the project beneficiaries (involvement of Health officials) Day three – ToT for 20 teachers from each project site
2.2.3 Collaboration with local NGOs, border police and health department on HIV/AIDS awareness and prevention and HTAP established (2017 baseline: n/a) (Target: at least six meetings conducted in total including one joint stakeholder meeting per border town targeting total of 50 people with at least 20% women's participation).	2.2.4 PMU/PIUs and other municipal units reported improved knowledge and skills in O&M and asset management of municipal infrastructure (2017 baseline: 0) (Target: 50 participants; at least 25% women) .		
Activity 2.3: Awareness-raising on health, waste segregation and reduction, environment and gender issues conducted in local institutions	2.3.1 Awareness training activities conducted in local institutions like schools and health units (2017 baseline: 0) (Target: one institution and one school per town targeting 200 people, with participation of 30% women and/or girls).		
	2.3.2 Train the teachers sessions held in local school in each town (2017 baseline: 0) (Target: 20 teachers trained, including 40% women teachers) .		

1

Lhak-Sam (BNP+) is the first network of HIV positive people in Bhutan which was formed in September 2009 by a group of positive people in Thimphu. Lhak-Sam was registered as a civil society organization (CSO) on 26th November 2010 with the main aim to provide and promote leadership, education and capacity building to people living with HIV/PLHIV (People living with HIV) and their families, establish linkages with regional and international networks of PLHIV.

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
<p>Activity 2.4: Prepare IEC materials for awareness on gender and health related issues (e.g., prevention of HIV/AIDS, human trafficking associated with infrastructure development in border zone areas, behaviour change for improved WASH practices)</p>	<p>2.4.1 Illustrations and radio/TV material on behavior change for improved WASH practices, water conservation, waste reduction or segregation, gender, tariff increases, HIV/AIDS and HTAP awareness prepared (2017 baseline: n/a).</p>	<p>The GAP IEC materials in the form of signboards, audio visuals - radio jingles were prepared as per the four broad themes below incorporating gender considerations wherever possible.</p> <ul style="list-style-type: none"> • WASH practices • Waste reduction and segregation • Human Trafficking • HIV/AIDS <p>Preparation for the Digital Art book started in this quarter.</p> <p>Information collection of potential schools for participation underway.</p>	<p>Audio visual clips</p> <p>The production of the four audio visual clips in Dzongkha, with English sub titles, based on the four themes were successfully completed by April end and began airing on BBS TV from May 14 after the Dzongkha news (between 7:20 – 7:30 pm & 8:20 – 8:30 pm) and the English news (between 9:20 and 9:30pm).</p> <p>As of June 30, the audio-visual advocacy clips on HIV, Waste management, Human trafficking and Water conservation have been aired twice on different days as per the agreed airing schedule.</p> <p>The clips will be aired three more times on BBS TV between July to September end. In total the clips will be aired five times over five months as per the contract with BBS.</p> <p>Signboards</p> <p>The fabrication and installation of the double-sided signboards (Dzongkha and English) were completed in Sarpang (Tar and Shechamthang) and in Trashigang (Trashigang and Ranjung towns) by June 10. The gender focals played a key role in installing the signboards at the identified locations. Two signboards in</p>
	<p>2.4.2 IEC material disseminated through various media channels (e.g., radio, TV- BBS, MOWHS website, newspapers, Facebook and WeChat) (2017 baseline: n/a).</p>		
	<p>2.4.3 HIV/AIDS awareness and HTAP signboards placed within border areas (2017</p>		

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
	<p>baseline: n/a) (Target: four signboards per border town).</p> <hr/> <p>2.4.4 Booklet with school competition drawings prepared (2017 baseline: n/a)</p>		<p>Sarpang were re-installed as one side was not visible.</p> <p>The vinyl stickers for the signboards in Sarpang and Trashigang were printed in Thimphu and sent to location through Bhutan Post. Fabrication was done at site.</p> <p>The boards installed in Sarpang are:</p> <p>Say no to Littering - Junction of Tsirang highway and road to Shechamthang town</p> <p>Food waste - Sarpang central school</p> <p>Water conservation - Sarpang high school</p> <p>Get test for HIV - Hilley checkpoint bridge</p> <p>Boards installed in Trashigang are:</p> <p>Stop human trafficking – near BoB Trashigang town</p> <p>Say no to littering – near vegetable shed, Trashigang town</p> <p>Water Conservation – near Rangjung Dratshang gate</p> <p>Use condom – near Rangjung bridge</p> <p>Installation of signboards in Samdrup Jongkhar town and Dewathang have been recently completed. It was stalled for quiet sometime because of the monsoon which has damaged roads and bridges and affected households in S/J town. Fabrication of the boards</p>

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
			<p>were completed by the third week of June.</p> <p>The fabrication of the signboards, including printing of the vinyl stickers, were done at S/J.</p> <p>Digital Art book</p> <p>Informal discussions have been initiated with the principal of Sarpang central school on the possible topics for students to submit art works within the themes identified by the project.</p> <p>As of now we are looking at three categories – primary, middle secondary and higher secondary. This could change depending on the schools selected for participation. It has been suggested that HIV and human trafficking be kept for high school and higher secondary students and food waste and water conservation for middle and primary school students.</p>
<p>Activity 2.5: Conduct campaigns to sensitize communities on (a) gender and health issues (b) WASH; (c) need for household connections); (d) proposed tariff structure and staged increases; (e) HIV or human trafficking prevention</p>	<p>2.5.1 Outreach meetings for tariff sensitization (2017 baseline: 0) (Target: at least one meeting per town prior targeting 1,800 people with 30% women).</p> <p>2.5.2 HIV and HTAP outreach sessions conducted in border towns (2017 baseline: n/a) (Target: one per town targeting 400 people with 30% women).</p>		

GAP Activities	Targets/Indicators	Cumulative Progress (From April to June 2022)	Issues, Challenges, Remarks
	2.5.3 Outreach sessions on solid waste segregation and reduction, water conservation and WASH conducted (2017 baseline: 0) (Target: 3500 beneficiaries with 40% women's representation).		
	2.5.4 WASH-themed drawing competitions held in three local schools- one per town (2017 baseline: n/a) (Target: 150 students with at least 50% girls)		

AIDS = acquired immune deficiency syndrome; BBS = Bhutan broadcasting service; CBO = community based organization; CLS = core labor standards; IEC = information, education and communication; FHHs = female-headed households; GAP = Gender Action Plan; GEMS = gender equality monitoring system; HIV = human immunodeficiency virus; HTAP = human trafficking awareness and prevention; MoWHS = Ministry of Works and Human Settlements; NCWC = National Commission for Women and Children; NGO = nongovernment organization; O&M = operation and maintenance; PIU = project implementation unit; PMU = project management unit; PMSC = project management and supervision consultant, WASH = water, sanitation and hygiene, ToR = terms of reference.

^a NCWC and MoWHS will work jointly to monitor gender equality results and ensure timely submission of GAP reports.

^b To include topics such as CLS, conducive environment for participation of women in construction activities, zero tolerance to child labor, mitigation measures for HIV/AIDS transmission and human trafficking, encouraging behavior change for improved WASH practices at construction sites and basic OH&S orientation.

^c GAP implementing NGO will liaise with thromde, dzongkhag administrations regarding the timing and willingness for tariff increases in each town.

Social safeguards compliance issue, action taken and the compliance status

Package No.	Package Description	Social Safeguards Compliance Issue	Correction Action to be taken	Responsible	Timeline	Compliance Status*
SM/UWS/002	Sarpang Water Supply Development Project	Project completed and handed over in 2020. Final visit by PMSC to sites due.	Project Completion Report to be prepared also addressing social components of the project	PMSC, PIU	Q4 2022	Field visit to carry out project completion report could not be completed due more than two months lockdown in border towns and COVID-19 quarantine regulations in place.
Shechamthang LAP Development [SM/UR/001]	Shechamthang LAP Project	Project completed and handed over in 2021. Final visit by PMSC to sites due. Project completed and handed over on 28 June 2021. PIU to conduct consultations to hear complaints relating to displaced pegs, compensations due etc. before project closure.	PIU to conduct consultations as soon as possible	PIU, Sarpang	End-August 2022	To be done
Shechamthang LAP Development [SM/UR/002]	Shechamthang LAP Project	Project completed and handed over in 2021. Final visit by PMSC to sites due. Project completed and taken over on 9 June 2021. PIU to conduct consultations to hear complaints relating to displaced pegs, compensations due etc. before project close.	PIU to conduct consultations as soon as possible	PIU, Sarpang	End-August 2022	To be done
TW/WS/002	Trashigang water supply project	Project completed and handed over in 2021. Final visit by PMSC to sites due.	Project Completion Report to be prepared also addressing social	PMSC, PIU	Q4 2022	Field visit to be planned

			components of the project			
TW/WS/00	Rangjung intake and WTP rehabilitation project	Project completed and handed over in 2021. Final visit by PMSC to sites due.	Project Completion Report to be prepared also addressing social components of the project	PMSC, PIU	Q4 2022	Field visit to be planned
SJM/WS/002	Dewathang water supply & WTP	Project yet to start				
SJM/WS/001 + SJM/SST/003 [SJM/WS-SST/001]	SamdrupJongkhar	Detailed Measurement Survey carried out in mid-2021 for water component. Land of 1 owners affected, estimates done but compensation not paid One landowner's property (sheds) have been affected estimated for compensations which however has not been paid as yet. No consultations have been carried out so far in SamdrupJongkhar.	The PIU is advised to conduct a consultative meeting as soon as possible.		End-August 2022	PIU to submit report of consultation minutes, signed participant list and photographs of meeting.

Appendices:

Appendix 1: Planned vs Achieved work progress

Appendix 2: Env safeguards and other support files documentation

Appendix 3: Glimpses of photographs of the construction activities during the Quarter (Q2: April 2022- June 2022)

Appendix 1

PLANNED vs WORK PROGRESS DOCUMENTATION

QUARTERLY PROGRESS REPORT (Q2 of 2022)

