

# Social Monitoring Report

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**PUBLIC**

Project No. 42173-017  
Semi-Annual Report (January – June 2023)  
July 2023

## Bhutan: Water Flagship Program Support Project

Prepared by the Project Management Unit, WFSP, MOIT, Royal Government of Bhutan for the Asian Development Bank (ADB).

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## CONTENTS

<b>1. Section I: Introduction (Background, Implementation Status and Progress in past 6 months).....</b>	<b>2</b>
1.1 Overall Project Description and Objectives.....	2
1.2 Social Safeguards Category of Projects .....	3
1.3 Scope of the Report.....	3
1.4 Status of Project and Sub-project Implementation .....	3
1.5 Institutional Arrangement for Social Safeguard Implementation.....	4
1.5.1 Project Management Unit .....	5
1.5.2 Project Implementation Unit.....	5
1.5.3 Project Management and Supervision Consultant.....	6
1.5.4 Civil Works Contracts and Contractors .....	6
1.5.5 Status of RP/DDR .....	7
<b>2 Section II: Social Safeguards monitoring – Scope of Impact and Mitigation Measures ..</b>	<b>8</b>
2.1 Scope of Impact and status update for the Reporting period .....	8
2.1.1 RP monitoring status .....	8
2.1.2 Scale and scope of the project’s safeguards impacts, and mitigation measures proposed .....	8
2.1.3 Status of recruitment/mobilization of safeguard team .....	9
2.1.4 Status on Compensation and Rehabilitation .....	10
2.1.5 Update on the status of mitigation measure implementation.....	10
2.2 Grievance Redress Mechanism .....	10
2.2.1 Institutional arrangement for GRM .....	10
2.2.2 Grievance redress status at project site maintained by PIU.....	10
2.2.3 Grievance received during the reporting period and how it was addressed .....	11
2.2.4 Compliance with National Statutes and regulations.....	11
2.2.5 Compliance status of loan covenants .....	11
2.3 Update on compliance to mission recommendations for social safeguards .....	17
2.4 Preparation of Corrective Action Plan .....	18
<b>3 Section III: Other Safeguards Compliance Issues.....</b>	<b>19</b>
3.1 Core labour standards and child or forced labour .....	19
3.2 Health and safety and HIV/AIDs awareness programmes .....	19
3.3 Consultation Meetings.....	19
3.4 Capacity development training activities on safeguards compliance .....	19

**4 Conclusions and Recommendations ..... 19**

**APPENDICES**

Appendix 1: Suggested format for Corrective Action Plan ..... 22

Appendix 2: Identified and designated personnel for WFSP Project Management Unit..... 23

Appendix 3: Identified and designated focal persons for Social safeguards Project Management Unit 24

## ABBREVIATIONS

ADB	–	Asian Development bank
BHRM	–	Bhutan Resident Mission
BSR	–	Bhutan Schedule of Rates
DDR	–	Due diligence report
DES	–	Department of Engineering Services
DMS	–	Detailed Measurement Survey
GAP	–	Gender action plan
GESI	–	Gender Equality and Social Inclusion
GRM	–	Grievance redress mechanism
HIV/AIDS	–	Human immunodeficiency virus/acquired immunodeficiency syndrome
MLD	–	Million liters a day
MOAL	–	Ministry of Agriculture and Livestock
MOIT	–	Ministry of Infrastructure and Transport
PAVA	–	Property Assessment and Valuation Authority
PIU	–	Project implementation unit
PPMS	–	Project performance management system
PMU	–	Project management unit
PMSC	–	Project management and supervision consultants
RAA	–	Royal Audit Authority
SMR	–	Social Safeguards Monitoring Report
WSD	–	Water and Sanitation Division
WTP	–	Water Treatment plant
WFPSP	–	Water Flagship Program Support Project

# 1. Section I: Introduction (Background, Implementation Status and Progress in past 6 months)

## 1.1 Overall Project Description and Objectives

1. ADB is supporting the Royal Government of Bhutan (RGoB) to develop climate resilient agriculture and water supply schemes in Zhemgang, Wangdue Phodrang (Gasetshowom and Gasetshogom gewogs) and extend water supply in newly developing area in Pamtsho, Thimphu, under the RGoB's Water Flagship Programme Support Project (WFPSP).

2. The Water Flagship Program Support Project (WFSP) will strengthen climate resilience of about 11,000 residents and/or farmers who suffer from water insecurity in Zhemgang and Wangdue Phodrang *dzongkhags* (districts) and Thimphu *thromde* (municipality), because of inadequate capacity to cope with climate variability. The project will build climate-and disaster-resilient systems through infrastructure development, digital technology, and capacity support of local communities and institutions.

3. The following are the project outputs of the WFSPSL

- (i) Output-1: Climate and disaster-resilient drinking water supply and irrigation infrastructure developed.
- (ii) Output-2: Climate-smart water management systems established.
- (iii) Output-3: Capacity, governance, and awareness of inclusive, resilient and sustainable water management strengthened.
- (iv) Output-4: Solutions for improved and climate resilient farmers' livelihoods introduced.

4. The Water Flagship Program Support Project (WFPSP) has a concessional loan and Grant component. Summary details of the Project Loan and Grant component are summarized below:

**Table 1: Project Loan Details**

Sl. No	Description	Amount <sup>1</sup>	Remarks
1	Project Cost	\$23.8 million	Project Number: 42173-017
2	Concessional loan	\$ 14.0 million	ADB Loan 4281
3	Grant-Asian Development Fund	\$ 6 million	ADF Grant-0874
4	Grant - JFPR	\$ 2 million	To be administered by ADB
5	<sup>2</sup> Government contribution	\$ 1.8 million	
6	Loan and Grant signing	12 <sup>th</sup> December, 2022	
7	Loan effectiveness	14 <sup>th</sup> January 2023	
8	Loan and Grant Closing	30 <sup>th</sup> June 2030	Time Elapsed: 7%
9	Field Mission - reporting period / quarter	1	6-10 <sup>th</sup> March, 2023

Source: Project Administration Manual

<sup>1</sup> Exchange Rate: 1 \$ US = 79.82 Nu

<sup>2</sup> Government contribution will finance (i) taxes and duties, (ii) land acquisition, re-settlement costs, (iii) incremental administration costs and (iv) contingencies.

5. As part of the reporting mechanism, to monitor the effective implementation of the Project, the Social Safeguard Monitoring Report (SMR) is prepared to ensure the project conforms to social safeguards principles and best practices translated in Resettlement Plans (RP) or Due Diligence Reports (DDR) prepared prior to project implementation. The present Social Safeguard Monitoring Report, for the first half year, from January to June 2023, is prepared to report on the activities undertaken, work progress and follow-up actions, and will be continually reported in the subsequent SMRs under the Project.

## 1.2 Social Safeguards Category of Projects

6. The project is categorized as “B” for involuntary resettlement as per ADB safeguard policies, implying that there would be potential restriction to access during pipe laying, potential temporary impacts in terms of temporary income loss due to disruption of access and there could be unanticipated impacts such as damage to private property during construction, hence there is a need to have good practices during construction, in line with the resettlement plan.

## 1.3 Scope of the Report

7. This is the first report in the series of social safeguards monitoring reports (SMR) which will be prepared semi-annually for submission and disclosure of ADB. The SMR contains progress achieved in the reporting period spanning 6 months - January 2023 to June 2023. As a category “B” project where access issues and unanticipated impacts to property during construction are foreseen, implementation and monitoring practices are imperative to achieve sound social development outcomes.

## 1.4 Status of Project and Sub-project Implementation

8. A description of the status of implementation is presented below: -

**Table 2: Status of Implementation of Project Components**

No.	Package No. & Description	Status	Remarks
1.	CW-01-Construction of Distribution Network for Pamtsho	Bid evaluation has been completed and approved. Contract negotiations have been held successfully in June 2023. Contract is yet to be signed.	
2.	DB-01-Design, build and Operate of Water Treatment Plant for Thimphu Pamtsho with 2 year O&M	Bid evaluation has been completed and approved; however, the contract is yet to be signed	
3.	CW-02-Construction of Integrated drinking water and irrigation for system for Zhemgang including 2 years O&M	The designs and bid documents are being prepared for submission on 21 August 2023.	
4.	DB-02: Construction of integrated drinking water and irrigation system for Hetsotsamchu including 3 years O&M	Date of Submission of Bid Document, revised to 15 October 2023.	
5.	CW-04: Efficiency and resilience improvement for	Survey, data and design is yet to commence.	

No.	Package No. & Description	Status	Remarks
	irrigation and drinking water supply (distribution) in Hetsosamchu scheme		

Source: WFSP, Project Management Unit, MOIT

9. For the project at Pamtsho, Thimphu namely CW-01-Construction of Distribution Network for Pamtsho, Thimphu, the bid evaluation has been completed and approved. Contract negotiations have been held successfully in June 2023. Contract is yet to be signed. Similarly, for Pamtsho, Thimphu, DB-01-Design, build and Operate of Water Treatment Plant for Thimphu Pamtsho with 2 year O&M sub-project the bid evaluation has been completed and approved; however, the contract is yet to be signed. For Zhemgang - CW-02-Construction of Integrated drinking water and irrigation for system for Zhemgang including 2 years O&M sub-project, the designs and bid documents are being prepared for submission on 21 August 2023. For the Hetsotsamchu sub-project DB-02: Construction of integrated drinking water and irrigation system for Hetsotsamchu including 3 years O&M, the date of Submission of Bid Document, revised to 15 October 2023 while for sub-project CW-04: Efficiency and resilience improvement for irrigation and drinking water supply (distribution) in Hetsosamchu scheme, the survey, data and design is yet to commence.

### 1.5 Institutional Arrangement for Social Safeguard Implementation

10. This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/team and appointment of staff in the executing agency/implementing agency; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards.

11. With regard to the updated institutional arrangements for project implementation, Table 2 lists the Project Management Unit (PMU), Project Management and Supervision Consultants (PMSC) and Project Implementation Unit (PIU) designated staff for the implementation and monitoring of the project. Social Safeguards Officers who currently are the focal persons for environmental and social and gender safeguards for the project.

**Table 3: Details of WFSP - Project Implementing and Monitoring and Supervision Staff**

Sl. No	Position / Designation	Name
1	Project Director	Director, DoID
2	Project Coordinator	Officiating Chief Engineer, WSD
3	Project Manager	Dy. EE, WSD
4	Irrigation	Specialist
5	Agriculture focal	Dy. Chief Agriculture Officer
5	Accountant	Accountant, Finance Section
6	Focal for Thimphu	AE, WSD
7	Focal for Zhemgang	AE, WSD
8	Focal for Wangdue Phodrang	Principal Engineer, WSD
9	Irrigation focal, Zhemgang & Social Safeguards	Engineer, Irrigation Division
10	Irrigation focal, Hetsotsamchu & Environmental Safeguards Officer:	Engineer, Irrigation Division
11	Project Management & Supervision Consultants	To be recruited

Source: PMU, WFSP, MOIT. Note that the identified officers for each of these positions are listed in Annexure-2.

### 1.5.1 Project Management Unit

12. The Project Management Unit (PMU) is located at the central level in Thimphu at the Ministry of Infrastructure and Transport (formerly MOWHS)<sup>3</sup>. A dedicated Project Manager for the project has been assigned to manage this project since the start of the project. The Project Manager has till now been coordinating the project on behalf of the MOIT.

**Table 4: Details of WFSP - Project Implementing and Monitoring and Supervision Staff**

Sl. No	Position / Designation	Name
1	Project Director	Director, DoID
2	Project Coordinator	Officiating Chief Engineer, WSD
3	Project Manager	Dy. EE, WSD
4	Irrigation	Specialist
5	Agriculture focal	Dy. Chief Agriculture Officer
5	Accountant	Accountant, Finance Section
6	Focal for Thimphu	AE, WSD
7	Focal for Zhemgang	AE, WSD
8	Focal for Wangdue Phodrang	Principal Engineer, WSD

Source: PMU, WFSP, MOIT. Note that the identified officers for each of these positions are listed in Annexure-2

### 1.5.2 Project Implementation Unit

13. There are three PIUs established in each of the project Districts. In Thimphu for the Pamtsho sub-project, the PIU is based at Thimphu Thromde. The PIU in Zhemgang is based at the Municipal Engineering and Agriculture sectors of the Zhemgang Dzongkhag Administration while the PIU for the Hetsotsamchu sub-project at Wangdue is operated from the Engineering sector of the Wangdue Phodrang Dzongkhag Administration. The focal persons have been appointed for the implementation of the environmental and social safeguards in table 5 and persons designated are presented in appendix 3.

**Table 5: Incumbent Safeguards Officers by Project site and mobile number**

No.	Position / Designation	Designation
1	<i>Project Implementation Unit - Thimphu</i>	
1.1	Project Manager	Chief Engineer, Infrastructure Division
1.2	Project Engineer	Asst. Engineer
1.3	GESI focal	Legal Officer
1.4	Environment Officer	Offtg. Chief Environment Officer
1.5	Social Safeguard Focal	Urban Planner
2	<i>Project Implementation Unit - Zhemgang</i>	
2.1	Project Manager	Chief Engineer - Dzongkhag
2.2	Project Engineer	Assistance Engineer

<sup>3</sup> The Ministry of Works and Human Settlement (MOWHS) has been reorganized and renamed as Ministry of Infrastructure and Transport (MOIT).

No.	Position / Designation	Designation
2.3	Environment Officer	Offtg. District Environment Officer
2.4	Social Safeguards Focal	Assistant Engineer
2.5	GESI focal	Asst. District Agriculture Officer
3	<i>Project Implementation Unit - Wangdue Phodrang</i>	
3.1	Project Manager	Offtg. District Engineer
3.2	Project Engineer	Asst. Engineer
3.3	GESI focal	Economic Development Officer
3.4	Environment Officer	District Environment Officer
3.5	Social Safeguards Focal	District Planning Officer

Source: PMU, WFSP, MOIT, Note that the identified officers for each of these positions are listed in Annexure-3

### 1.5.3 Project Management and Supervision Consultant

14. The PMSC is yet to be recruited. It was reported that the bids for the assignment are being evaluated. The Table below presents the expertise which the PMSC will comprise of. The PMSC will be based at the PMU in the MOIT:-

**Table 6: WFSP: Composition of the PMSC**

No.	Name	Designation in Project
1.	To be identified	M&E Specialist (Team Leader)
2.	To be identified	Environmental Safeguards Specialist
3.	To be identified	Social Safeguards Specialist
4.	To be identified	Social Development & Gender Specialist
5.	To be identified	Financial Specialist
6.	To be identified	Geotechnical Engineer

### 1.5.4 Civil Works Contracts and Contractors

15. Summary of the work packages and consultancy packages which have seen some progress during the reporting period are presented below:-

**Table 7: Summary and status of Project packages**

SI. No.	Package No,	Package Name	Status	Date of Commencement	Actual Completion date	Issue of Final Payment Certificate	Consultant	Completion cost (Million Nu.)
1	CS-01	Project Management and support consultant (PMSC)	Not recruited					
2	CW-01	Construction of Distribution Network for Pamtsho, Thimphu					M/ S Bhutan Engineering Corporation Pvt. Ltd	70.32
3	DB-01	Design, build and Operate of Water Treatment Plant for Thimphu Pamtsho with 2 year O&M						

### 1.5.5 Status of RP/DDR

16. The resettlement plan for Pamtsho, Thimphu and due diligence reports (DDRs) for Zhemgang and Hetsotsamchu and a Resettlement Framework have been prepared for the projects. All these documents will serve as guiding documents for implementation of social safeguards during implementation of the construction work. The safeguards documents however will be revised in the event that the detailed measurement surveys reveal involuntary resettlement impacts entailing acquisition of land, impact on assets or livelihoods, individually or in conjunction with each other. The Project Safeguards team will revise the documents for review, acceptance by ADB and disclosure of these on the web sites of ADB and the MOIT.

The ADB website links to documents disclosed are as below: -

**Table 8: Safeguards documents and links for access from ADB and Project website**

No.	Report	Link in ADB website	MOIT website
1.	Resettlement Framework for WFSP	<a href="https://www.adb.org/projects/documents/bhu-42173-017-rf">https://www.adb.org/projects/documents/bhu-42173-017-rf</a>	<a href="https://www.moit.gov.bt/en/disclosure-of-environmental-and-social-">https://www.moit.gov.bt/en/disclosure-of-environmental-and-social-</a>
2.	Resettlement Plan, Pamtsho	<a href="https://www.adb.org/projects/documents/bhu-42173-017-rp">https://www.adb.org/projects/documents/bhu-42173-017-rp</a>	

No.	Report	Link in ADB website	MOIT website
3.	DDR, Zhemgang	<a href="https://www.adb.org/projects/documents/bhu-42173-017-sddr">https://www.adb.org/projects/documents/bhu-42173-017-sddr</a>	<a href="https://www.adb.org/projects/documents/bhu-42173-017-sddr-0">safeguard-reports-under-the-water-flagship-program-support-project/</a>
4.	DDR, Hetsotsamchu	<a href="https://www.adb.org/projects/documents/bhu-42173-017-sddr-0">https://www.adb.org/projects/documents/bhu-42173-017-sddr-0</a>	
5.	WFSP Project Administration Manual	<a href="https://www.adb.org/projects/documents/bhu-42173-017-pam">https://www.adb.org/projects/documents/bhu-42173-017-pam</a>	

### **Summary of impacts identified and resettlement budget**

17. In this reporting period, there are no social impacts identified and consequently no requirement for requisition of any resettlement budget. However, there will be costs involved in carrying out preparatory activities such as for the detailed measurement survey by the Contractor and PIUs, the safeguards training planned for Contractors and PIUs and consultations that need to be conducted with residents of Pamtsho, Thimphu and other areas under the projects in the course of the project.

## **2 Section II: Social Safeguards monitoring – Scope of Impact and Mitigation Measures**

### **2.1 Scope of Impact and status update for the Reporting period**

18. In this project, the potential involuntary resettlement impacts (temporary income loss) arising from the implementation of this project were anticipated. Corresponding precautionary measures have been proposed in the DDR as well as the Resettlement Plans contingent on the magnitude and nature of the impact. The entitlement matrix developed during project preparation; which also is reflected in the RP documents will be applied in guiding eligibility and entitlements for compensation or other rehabilitation measures.

#### **2.1.1 Resettlement Plan monitoring status**

19. Under the project, there was no land acquired and no land will be acquired during implementation as well. Hence, no compensations were paid. However, possible impacts on businesses at Pamtsho was foreseen and a walk-through survey carried out during project preparation of affected businesses. During the reporting period, no involuntary resettlement impact due to project implementation has occurred along the water supply pipeline stretches in Pamtsho. Consultations likewise were carried out. During implementation it is possible that such impacts will emerge. Further, since the irrigation distribution network design in Zhemgang was not ready at the time of project preparation so impacts on farmers' land will have to be assessed as soon as the designs are ready and before the work is implemented. The PIUs will also be encouraged to conduct meaningful consultations with affected persons, beneficiaries of the projects as well as stakeholders. Likewise, in Hetsotsamchu project, if sections of the pipeline are re-aligned, the Contractor who will also conduct the realignment survey will ensure to avoid at all costs any private plots of land and locate the alignment on government land. Such avoidance measures will ensure that land acquisition and impact on villagers' assets are avoided and no compensation will need to be paid.

#### **2.1.2 Scale and scope of the project's safeguards impacts, and mitigation measures proposed.**

20. During the reporting period, no construction work has commenced yet in any of the projects since the works were in bidding stage. Therefore, no involuntary resettlement impacts on either peoples' land or properties occurred yet. However, as and when the works commence in some of the sub-projects, such as Pamtsho, Thimphu, the PIU with the Contractor is advised to carry out a Detailed Measurement Survey (DMS) so that the type and magnitude of impacts on private and community-owned assets can be determined for possible avoidance and mitigation measures to be taken up by the PIUs.

21. It has been ascertained that any effects on private land and other assets will be transitory and restorable, as indicated in the entitlement matrix. In the current reporting period, impacts have been identified, for instance, limitations on access to stores in Pamtsho commercial areas. Other impacts that may emerge during excavation are temporary and reversible, arising from the construction of infrastructure, such as noise and dust pollution, water stagnation in specific areas, and potholes in Pamtsho.

### 2.1.3 Status of recruitment/mobilization of safeguard team

22. During the project reporting period, the following social safeguard personnel have been assigned for the project implementation. Table 7 lists the safeguards focal persons identified for the project. They will be responsible to monitor the social safeguards related to the project and will work closely with the PMSC Social Safeguards Expert and the PMU. The identified and nominated persons are:-

**Table 9: Social Safeguards focal points identified and nominated at PMU and PIUs**

No.	Position / Designation (Safeguard Implementation)	Designation
1	<i>Project Management Unit (MoIT &amp; MoAL), Thimphu</i>	
1.1	Social Safeguards Focal Person	Engineer, Irrigation Division
2	<i>Project Implementation Unit - Thimphu</i>	
2.1	Social Safeguard Focal	Urban Planner
2.2	GESI focal	Legal Officer
3	<i>Project Implementation Unit - Zhemgang</i>	
3.1	Social Safeguards Focal	Assistance Engineer
3.2	GESI focal	Asst. District Agriculture Officer
4	<i>Project Implementation Unit - Wangdue Phodrang</i>	
4.1	Social Safeguards Focal	District Planning Officer
4.2	GESI focal	Economic Development Officer

*Status of entitlements matrix and other rehabilitation measures, as applicable, and as described in the approved final resettlement plan(s)*

23. The entitlement matrix prepared as part of project preparation is still valid and will be used during project implementation in determining the eligibility and mode of compensations as they

occur during implementation. The Entitlement Matrix is available in Appendix 9 of the PAM prepared for this project.

#### **2.1.4 Status on Compensation and Rehabilitation**

24. During the project reporting period, no compensations were paid to any affected persons since no impacts were identified before or during the period. Civil works have not commenced yet.

#### **2.1.5 Update on the status of mitigation measure implementation**

25. During the reporting period, no avoidance or mitigation measures were undertaken mainly because the works are yet to commence. The Detailed Measurement Survey (DMS) to be prepared for the sub-project during the early phase of project commencement will determine assessment of impacts and need for compensations if any, thereof. From the next half year onwards, the sub-projects will be closely monitored to ensure where possible impacts are avoided and where inevitable that impacts will occur, impacts will be mitigated and managed.

### **2.2 Grievance Redress Mechanism**

26. This section describes the implementation of project grievance redress mechanism (GRM) as designed in the approved resettlement plan and due diligence documents. The SMR will evaluate GRM effectiveness, procedures, complaints received, timeliness to resolve issues/complaints and resources provided to solve the complaints. Special attention will be given if there are complaints received from the affected people or communities.

#### **2.2.1 Institutional arrangement for GRM**

27. Under the coordination of PMU, a central level GRM Committee is expected to be formed within the August 2023. Similarly, letters have been sent out to the PIUs directing the formation of Committees and nomination of members to the Committees at district and field level. The next SMR will reflect copies of the office orders as evidence that GRM have been instituted and Committee members nominated.

#### **2.2.2 Grievance redress status at project site maintained by PIU**

28. Institution of GRM at project site is required which entails identification of Contractor's personnel who will be responsible to receive the grievance and coordinate the redressal of the complaint at site and within the stipulated time frame mentioned in the GRM section in the RP or DDR. A format for recording grievances has been suggested and will be provided to the Contractor's staff and PIU after an orientation/training is provided on safeguards. The GRM register will be maintained at work site and at PIU. All grievances, whether received in written form or verbal (in-person or telephonic) will be recorded in this format. At the end of each quarter, the PMSC Expert will compile the grievances occurring and recorded in the register which will be maintained and provided by the Site Engineer and Contractor's Engineer on request. A copy of a format for GRM is contained in is suggested below:-



**Table 10: Compliance status by loan covenant item (Schedule 4)**

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
Para 5	<p>Conditions for Award of Contract</p> <p>The Borrower shall not award any Works contract involving involuntary resettlement impacts until the Borrower has prepared and submitted to ADB the final RP for such Works based on the Project's detailed design, and obtained ADB's clearance of such RP.</p>	<p>There are no involuntary resettlement impacts in any of the sub-projects.</p> <p>For works which have been awarded namely Pamtsho (CW-01-Construction of Distribution Network for Pamtsho), Thimphu, as soon as the Contractor takes over the work, the Contractor and PIU have been recommended to carry out the Detailed Measurement Survey (DMS) as soon as possible. Based on the DMS findings, if required, the RP will be revised and submitted for approval.</p>	<p>DMS to be carried out by the Contractor and PIUs for all sub-projects soon after handover of site to contractor</p>
Para 6	<p>Notwithstanding paragraph 5 above, the Borrower may award a Works contract involving involuntary resettlement impacts prior to the final RP for such Works contract having been submitted to and cleared by ADB if the contract:</p> <p>(a) is of a "design and build" or "turnkey" type under which the design must be completed for the Works contract before the relevant RP is updated to reflect the final project design; and</p> <p>(b) expressly provides that the installation and construction phase (and commencement thereof) is conditional upon: (i) a final RP for the Works contract based on the Works contract's detailed design having been submitted to, and cleared by, ADB, and (ii) the Borrower having notified ADB and the contractor in writing that due consultation has been carried out, all required physical and/or economic displacement has been completed, and compensation and other entitlements have been provided to affected people in accordance with the RP.</p>	<p>As ascertained during project preparation, there are no involuntary resettlement impacts in any of the sub-projects.</p> <p>It is expected that the contractor securing the works after bidding for the sub-project in Hetsotsamchu (DB-02: Construction of integrated drinking water and irrigation system for Hetsotsamchu including 3 years O&amp;M), the Contractor will survey and design works and implement new alignment for a section of the pipe alignment. The PMSC Social Safeguards Expert will assess the changed alignment for involuntary resettlement impacts and update the RP. The same will be carried out after the survey and design of the irrigation distribution network is completed for the Zhemgang sub-project (CW-02-Construction of Integrated drinking water and irrigation for system for Zhemgang including 2 years O&amp;M)</p>	<p>Social assessment to be conducted following the completion of survey and design of re-alignment at Hetsotsamchu and irrigation distribution network at Zhemgang</p>
Para 8	<p>Land Acquisition and Involuntary Resettlement</p>	<p>No land acquisition is required under the project as ascertained during project</p>	

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
	<p>Para 8. The Borrower shall ensure, or cause each Subnational Government to ensure, that all land and all rights-of-way required for the Project and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract, and that all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; (d) all measures and requirements set forth in the respective RP; and (e) any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p>	<p>preparation.</p> <p>For the sub-project in Hetsotsamchu (DB-02: Construction of integrated drinking water and irrigation system for Hetsotsamchu including 3 years O&amp;M), where the Contractor will be required to conduct the re-survey of a section of the pipe alignment and design accordingly, the Contractor will be advised to ensure that the re-alignment of one section of the pipelines will not involve any private land acquisition and to restrict the alignment to government owned land.</p> <p>Involuntary Resettlement Safeguards are taken into account while assessing avoidance of impacts and compensations to impacted persons;</p>	
Para 9	<p>Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Borrower shall ensure, or cause each Subnational Government to ensure, that no physical or economic displacement takes place in connection with the Project until:</p> <p>(a) compensation and other entitlements have been provided to affected people in accordance with the RP; and (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.</p>	<p>Not yet due. Civil work has not commenced yet and therefore, no involuntary resettlement impacts were noted/taken place within the reporting period.</p> <p>The RP and DDRs prepared will be updated and revised during project implementation by the PMSC's social safeguards specialist. The documents will be reviewed, approved and disclosed in the ADB, Ministry and PIU web sites.</p>	
Para 10	<p>Indigenous Peoples</p> <p>The Borrower shall ensure, and cause each Subnational Government to ensure, that the Project does not have any indigenous peoples impacts</p>	<p>The category for Indigenous People is still "C" for this project.</p>	

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
	within the meaning of the SPS. In the event that the Project does have any such impact, 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.		
Para 11	The Borrower shall make available necessary budgetary and human resources to fully implement each EMP and RP.	The implementing agency has identified the focal persons for social, gender and environmental safeguards implementation at the PMU and PIUs. The budgets allocated for safeguards have been provisioned.	Training to be carried out for Focal persons for sub-projects' works awarded to Contractors
Para 12	<p>Safeguards – Related Provisions in Bidding Documents and Works Contracts</p> <p>The Borrower shall ensure, or cause each Subnational Government to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(a) comply with the measures and requirements relevant to the contractor set forth in each IEE, EMP and RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out 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 and the relevant Subnational Government with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that</p>	Safeguards provisions have been included in the bidding documents and contracts signed with contractors. The provisions will be further discussed and clarified for contractors during the safeguards orientation/training to be carried out for Contractors and PMU by Consultants.	Training to be carried out for Contractors for sub-projects' works awarded to Contractors

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
	<p>were not considered in the relevant IEE, EMP, or RP;</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) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p>		
Para 13	<p>Safeguards Monitoring and Reporting</p> <p>The Borrower shall do the following, or shall cause each Subnational Government to 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 any IEE, EMP, or RP, 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 any EMP or RP promptly after becoming aware of the breach.</p>	<p>SSMR (January-June 2023) has been prepared. This is complied. Next report will cover July-December 2023 due by end of January 2024. The PIUs will conduct consultations with the people living in the project area and affected persons prior to start of the work. Minutes of the meeting, signed attendance sheets and photographs will be recorded.</p> <p>The PIUs and PMSC will closely monitor safeguards implementation according to the EMPs and RP/s prepared for each sub-project. Risks and impacts identified during implementation will be addressed along with any actual or potential breach of compliance through corrective action plans, as applicable.</p>	<p>Consultations to be taken up in each sub-project.</p>
Para 14	<p>Prohibited List of Investments</p> <p>The Borrower shall ensure, or cause each Subnational</p>	<p>This has been complied with. The PMU and PIU are aware of the prohibited investments.</p>	

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
	Government to ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities in Appendix 5 of the SPS.		
Para 15	<p>Labor Standards, Health and Safety</p> <p>The Borrower shall ensure, or cause each Subnational Government to ensure, that the core labor standards, the Borrower's applicable laws and regulations, and any applicable laws and regulations of any Subnational Government, 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 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</p>	<p>Clauses have been included in the contract agreement as per the Bhutan Labour Act 2007 for compliance which will be monitored during implementation by Labour Inspectors of the Ministry of Industry, Commerce and Employment, the PIU and the PMSC during its site visits.</p> <p>The PIUs will also coordinate to create awareness about STDs and AIDS among Contractors' workers and resident communities during the project implementation.</p>	<p>PIUs to monitor these and provide data to the Consultants for preparing the periodic QPRs and SMRs and EMRs</p>
Para 16	The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 15 above and	The works when started by the Contractors in each of the sub-components will be monitored for compliance and reported in the subsequent QPRs and SSMRs.	

No.	Loan Covenants (Social safeguards and Gender)	Status of Compliance	Action Required
	provide ADB with regular reports.		
Para 17	Gender and Development 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.	The GAP prepared for the project will be implemented by the Consultant recruited to oversee the implementation and monitoring of the GAP in collaboration with the GESI Focal Persons identified in the PMU and PIUs.  All bidding documents need to include provisions and measures for gender;  Funds for implementation of the GAP have been allocated under the Project.  Progress and achievement of outputs and outcomes to be monitored during implementation of the GAP. The progress of GESI action plan implementation will be closely reviewed and monitored at each ADB review mission and incorporated in the quarterly progress reports as well as evaluation reports and sent to ADB. The GAP monitoring reports will be submitted by PMU semi-annually to ADB (PAM, para 122).	

### 2.3 Update on compliance to mission recommendations for social safeguards

32. ADB Review Missions make recommendations for safeguards implementation and monitoring. These recommendations are implemented by the PIU, PMSC and PMU and the Contractor. During this reporting period the recommendations have been implemented namely the nomination of identified focal persons for social safeguards at central and PIUs. The PMSC is yet to be recruited but will also include a Social & Gender Expert to assist the project with social safeguards and gender action plan implementation.

33. The last ADB Mission was fielded in Bhutan from 6<sup>th</sup> to 10<sup>th</sup> March 2023. The team held several discussions with project personnel as well as other stakeholders. The Mission also visited field sites in Zhemgang, Wangdue and Thimphu. An Aide Memoire following the Mission was produced and circulated by the Mission reporting on findings and recommendations of the Mission. With regard to social safeguards activities, the Mission aide memoire emphasized the following:-

**Table 11: Compliance status of ADB Review Mission recommendation on social safeguards issues**

No.	Actions	Responsibility	Target Date	Status
1.	Mission requested the names of designated focal persons for social safeguards	MOIT, DoID		Social safeguards focal persons identified. Names and contact details provided in annex of this SMR

2.	Issuance of Government Order on GRM	PMU	30 June 2023	Committee at MOIT identified. Committees at PIU in process of being identified. On completion Office Order to be issued
3.	Updating of documents	PMU		Not started.
4.	Prepare a CAPP within first quarter and semi-annual report by July 2023	PMU	30 April 2023	Draft shared with ADB and comments received and being finalized by ADB Consultants

## 2.4 Preparation of Corrective Action Plan

34. A Corrective Action Plan (CAP) is included in the SSMR, in case of any compliance issues emerge during project implementation, and for issues and concerns which require the attention of the project implementation team to focus on. The CAP is tabular format that features the social safeguards compliance issues, corrective actions to be taken, responsible persons/entity, and compliance status. A copy of the format is attached in **annexure 1**.

35. For the reporting period, the following are activities that require corrective measures to ensure that safeguard requirements are fully followed and/or implemented. The implementation of the CAP will be monitored by PMU and will be reported in the next SSMR.

**Table 12: Corrective Action Plan**

Package No.	Package Description	Social Safeguards Compliance Issue	Correction Action to be taken	Responsible	Timeline	Compliance Status*
CW-01	Construction of Distribution Network for Pamtsho, Thimphu	No consultations have been carried out so far. It is an SPS requirement.	Conduct public consultations and information dissemination-related activities informing them about the project, work plan of contractors, anticipated impacts and mitigation and the GRM. Issues and concerns about the project activities will also be discussed with the community and other project stakeholders.	PIU and Contractors	End-July 2023	To be done

Note: Compliance will be reported in the next SSMR.

### **3 Section III: Other Safeguards Compliance Issues**

#### **3.1 Core labour standards and child or forced labour**

35. For all work and worker related issues, the laws of Bhutan, namely the Labour & Employment Act of Bhutan, 2007 will be adhered to by the Contractor and PIU. No child and forced labour can be engaged at the work sites under the project. The safeguards personnel will strictly monitor the implementation of these rules.

#### **3.2 Health and safety and HIV/AIDs awareness programmes**

36. During the project implementation phase, workers need to be sensitized on health and safety and HIV/AIDS awareness. While the Contractor is responsible to provide first aid and immediate evaluation of workers in the event of an accident, awareness on HIV/AIDS can be coordinated by the PIU with Health staff from the nearby health facility who are best placed to carry out awareness with workers.

#### **3.3 Consultation Meetings**

37. Meaningful consultations are to be held, as a requirement, under the project with project stakeholders, beneficiaries and affected people including vulnerable persons resident in the project area. This section describes public participation and consultative activities during the project implementation as agreed in the plan.

38. For this project, no consultations have been conducted so far. However, civil work has not commenced yet and therefore, no involuntary resettlement impacts were noted/taken place within the reporting period. However, consultation about project objective, goal, GRM and other awareness issues must be undertaken. Consultations will continue during project implementation. Consultations can take the form of community meetings, focus groups discussions and one-on-one meetings and interviews.

#### **3.4 Capacity development training activities on safeguards compliance**

39. During the project period, no Environmental and Social Safeguards Orientation was held for the PIU and the Contractors staff. However, as the sub-projects are awarded and Contractor is on-site, such an orientation/training is necessary and will be carried out. The orientation for Contractors and PIU for the Pamtsho, Thimphu sub-project will be the first such event to be carried within the next few months.

### **4 Conclusions and Recommendations**

40. As of the reporting period from January 2023 to June 2023, no civil works have started yet. However, the Pamtsho, Thimphu project site will soon be taken over by the Contractor on notice to proceed and will secure the site and commence the works.

41. In terms of institutional arrangements for safeguards staff, the focal persons have been identified and are braced to take on their responsibilities respectively out of central, dzongkhag and PIU offices.

42. The resettlement plan and DDRs have been prepared and aligned with ADB SPS, 2009 requirements and government policies to guide the implementation of social safeguards in accordance with the entitlement matrix and safeguards designed during the preparation phase. Also, a resettlement framework document has been prepared for the project to guide the preparation of the social safeguards planning documents such as the RP or DDR. These documents may have to be revised, if there are impacts, during implementation. The detailed measurement survey (DMS) carried out at the commencement of the project can reveal impacts based on which mitigation measures are taken up.

43. The GRM developed for the project will be made operational. The GRM Committees will be instituted at the earliest. Contractors and PIUs will be oriented and trained on social safeguards of which GRM is an important component. Grievances will be documented and submitted after each quarter for compilation by the PMSC Social Safeguards Expert in each quarterly report and SMR. The PMU will ensure that Contractors, PIUs and PMSC receives grievances/complaints proactively and more importantly, addresses grievances in a relatively short turnaround time.

44. The social safeguards implementation should fully comply with existing national laws (Land Act 2007) and PAVA Compensation Rates 2022 for land and crop compensation. Where inadequate, the Entitlement Matrix specifying measures for redressal should be used. The loan covenants with regard to social safeguards should also be complied with as well as to the core labour standards. Health and safety measures at work site and community ensuring that communicable diseases such as HIV/AIDS and COVID need to be closely followed according to established protocols. However, awareness programs for all project personnel namely Contractors and work site have to be executed by the PIUs.

45. It is incumbent upon the project implementation staff namely at the site and PIUs to provide accurate and timely information when requested to the PMU and PMSC so that the quarterly and semi-annual reporting obligations of the project are fulfilled. While the PMSC through the PMU shall make timely requests, the PIU will ensure that such data is not delayed for submission. The PIU will also continue to undertake consultations with community people, beneficiaries, potential affected persons and other stakeholders in the project area.

46. The training and orientation of Contractors and PIU staff is important to ensure that all implementing staff are well informed of safeguards requirements of ADB and are adequately prepared to apply the principles and practices of social safeguards under the project during implementation. During the project period, none of the sub-projects were awarded so such training is still due.

47. The following are the recommendations to be considered for implementation by the PMU and PIUs in the next few months:

**Table 13: Recommendations for taking up social safeguards activities**

<b>No.</b>	<b>Responsible</b>	<b>Action to be taken</b>	<b>To be completed by</b>
1.	PMU	Coordinate the establishment of GRM Committees for the project at central, PIUs and field level. Office orders to be shared with ADB	15 August 2023
2.	PMU and PIU, Thimphu	Coordinate for Environmental and Social Safeguards Training for Contractor & PIU Safeguards staff of Pamtsho, Thimphu sub-project	31 August 2023
3.	PIU, Thimphu (Thromde) & Contractor	Carry out the Detailed Measurement Survey for the Pamtsho sub-project. DMS Report to be shared with ADB	mid-September 2023
4.	PIU, Thimphu (Thromde) & Contractor & Safeguards Consultants	Carry out consultations with public of Pamtsho.	mid-September 2023

48. The socioeconomic survey, field visits and consultations do not reveal the presence of any distinctive and separate indigenous people living in the project areas. The project will not have any impacts on indigenous peoples. The project hence for indigenous people was categorized as “C” and this remains the same at the onset of commencement of the project.

**Appendix 1: Suggested format for Corrective Action Plan**

<b>Package No.</b>	<b>Package Description</b>	<b>Social Safeguards Compliance Issue</b>	<b>Correction Action to be taken</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Compliance Status*</b>

*Note: This corrective action plan table is to be included in the next SSMR as well, with reported updates under compliance status column.*

## Appendix 2: Identified and designated personnel for WFSP Project Management Unit

Sl. No	Position / Designation	Name	Contact
1	Project Director	Mr. Karma Dupchuk, Director, DoID	<a href="mailto:kdupchuk@mowhs.gov.bt">kdupchuk@mowhs.gov.bt</a>
2	Project Coordinator	Ms. Tshering Choden, Officiating Chief Engineer, WSD	tsheringchoden@moit.gov.bt
3	Project Manager	Ms. Chimi Dema, Dy. EE, WSD	<a href="mailto:cdema@moit.gov.bt">cdema@moit.gov.bt</a>
4	Irrigation	Mr. Thinley Gyamtsho,	<a href="mailto:tgyamtsho@moal.gov.bt">tgyamtsho@moal.gov.bt</a>
5	Agriculture focal	Mr. Tsheltrim, Dy. Chief Agriculture Officer	
5	Accountant	Mr. Yad Bdr. Rai, Accountant, Finance Section	
6	Focal for Thimphu	Ms. Ugyen Yangchen, AE, WSD	<a href="mailto:uyangchen@moit.gov.bt">uyangchen@moit.gov.bt</a>
7	Focal for Zhemgang	Mr. Kharka Bahadur Rana, AE, WSD	<a href="mailto:kbrana@moit.gov.bt">kbrana@moit.gov.bt</a>
8	Focal for Wangdue Phodrang	Mr. Karma Karma, Principal Engineer, WSD	<a href="mailto:karma1@moit.gov.bt">karma1@moit.gov.bt</a>
9	Irrigation focal, Zhemgang & Social Safeguards	Mr. Sonam Gyeltshen, Engineer, Irrigation Division	
10	Irrigation focal, Hetshotshamchu & Environmental Safeguards Officer:	Ms. Ugyen Dema, Engineer, Irrigation Division	
11	Project Management & Supervision Consultants	To be recruited	

**Appendix 3: Identified and designated focal persons for Social Safeguards Project Management Unit**

Sl. No	Position / Designation (Safeguard Implementation)	Name	Contact
1.	<i>Project Management Unit (MoIT &amp; MoAL), Thimphu</i>		
1.1	Social Safeguards Focal Person	Mr. Sonam Gyeltshen, Engineer, Irrigation Division	sgyeltshen@moal.gov.bt
2.	<i>Project Implementation Unit - Thimphu</i>		
2.1	Social Safeguard Focal	Mr. Kezang Dorji, Urban Planner	<a href="mailto:kezangd@thimphucity.gov.bt">kezangd@thimphucity.gov.bt</a>
2.2	GESI focal	Ms. Phub Dem, Legal Officer	<a href="mailto:pdema@thimphucity.gov.bt">pdema@thimphucity.gov.bt</a>
3.	<i>Project Implementation Unit - Zhemgang</i>		
3.1	Social Safeguards Focal	Mr. Yeshey Rinzin, Assistance Engineer	<a href="mailto:yesheeyrigzaay55@gmail.com">yesheeyrigzaay55@gmail.com</a>
3.2	GESI focal	Mr. Prem Lal Sharma, Asst. District Agriculture Officer	<a href="mailto:plsharma@zhemgang.gov.bt">plsharma@zhemgang.gov.bt</a>
4.	<i>Project Implementation Unit - Wangdue Phodrang</i>		
4.1	Social Safeguards Focal	Mr. Jigme Dorji, District Planning Officer	tashid@wangduephodrang.gov.bt
4.2	GESI focal	Ms. Dechen Wangmo, Economic Development Officer	<a href="mailto:dechenwangmo@wangduephodrang.gov.bt">dechenwangmo@wangduephodrang.gov.bt</a>