



United Nations Development Programme

Project Document

Project title: Advancing Climate Resilience of the Water sector in Bhutan		
Country: BHUTAN	Implementing Partner (GEF Executing Entity): Ministry of Infrastructure and Transport (MoIT)	Execution Modality: National Implementation Modality (NIM)
Contributing Outcome (UNDAF/CPD, RPD, GPD): Outcome 4: Bhutan’s communities and the economy are more resilient to climate change induced disasters and biodiversity loss as well as economic recovery (Output 4.1 Inclusive risk informed systems and capacities in place to enable people to benefit from conservation and sustainable management of natural resource and reduced environmental and health risks. Output 4.2 National policies and programmes foster food self-sufficiency, innovative financing an inclusive business environment and improved livelihoods through climate change resilient value chains and nature-based solutions)		
UNDP Social and Environmental Screening Category: Moderate	UNDP Gender Marker: 2	
Quantum Award ID: 1067009	Quantum Project ID: 01000556	
UNDP-GEF PIMS ID number: 6647	GEF Project ID number: 10779	
LPAC meeting date: 24th May 2023		
Last possible date to submit to GEF: 31st October 2022		
Latest possible CEO endorsement date: 10th April 2023		
Project duration in months: 60 months		
Planned start date: 30 August 2023	Planned completion date: 30 August 2028	
Expected date of Mid-Term Review (MTR submission to the GEF: 31 December 2025	Expected date of Terminal evaluation (TE submission to the GEF): 20 May 2028	
Expected Operational Closure Date: 20 May 2029	Expected Financial Closure Date: 20 November 2029	
Brief project description:		
<p>Bhutan is highly vulnerable to climate change and climate induced hazards. The project seeks to address the shortages and declining water quality, which has a direct bearing on increased vulnerabilities of livelihoods, food production and human health that depend on the renewable natural resources (RNR) sector, particularly for communities those dependent on forest resources.</p>		

The project will enhance the resilience of communities to climate change-driven impacts on water resources and water infrastructure in some of the most climate vulnerable regions of Bhutan. It will directly benefit 37,334 persons (19,465♂, 17,869 ♀) residing across three Dzongkhags and four watersheds. Of these 19,391 will benefit from water supply and 17,943 from enhanced watershed services.

The project will restore, manage, and protect 38,518 hectares of critical catchments to stabilise and enhance water yields by enhancing their resilience to extreme events and extended dry seasons. Further, it will provide 3,392 hectares of agricultural land with irrigation and support farmers to adopt climate resilient agriculture. Existing (Payment for Eco-system Services) PES schemes will be replicated to sustain the management of critical catchments.

The project will climate-proof 74.14 km of water transmission and distribution infrastructure and will augment water storage and treatment through small tanks (1 to 250 cubic meters) and two water treatment plants. Public-private-partnership (PPP) models will be explored for the long-term financial sustainability of water utility services. Entrepreneurs will be facilitated to take over aspects of O&M of water supply and monitoring of water distribution infrastructure and metering.

FINANCING PLAN		
GEF Trust Fund grant: LDCF	USD 8,932,420	
UNDP TRAC resources:	USD 100,000	
(1) Total Budget administered by UNDP	USD 9,032,420	
(2) Total confirmed co-financing to this project not administered by UNDP	USD 25,032,000	
(3) Grand-Total Project Financing (1)+(2)	USD 34,064,420	
SIGNATURES:		
Signature Secretary, Ministry of Finance	Agreed by Government Development Coordination Authority	Date/Month/Year:
Signature: Secretary, Ministry of Infrastructure and Transport	Agreed by Implementing Partner	Date/Month/Year:
Signature: Resident Representative, UNDP	Agreed by UNDP	Date/Month/Year: