

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC13768

Date ISDS Prepared/Updated: 30-Oct-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Bhutan	Project ID:	P156126
Project Name:	City Bus Access Project		
Team Leader(s):	Dominic Pasquale Patella,Dechen Tshering,Tenzin Lhaden		
Estimated Date of Approval:	07-Apr-2016		
Managing Unit:	GTI06	Lending Instrument:	Lending Instrument
Sector(s):	Public administration- Transportation (20%), Urban Transport (80%)		
Theme(s):	Other public sector governance (50%), City-wide Infrastructure and Service Delivery (50%)		
Financing (in USD Million)			
Total Project Cost:	4.4468	Total Bank Financing:	0
Financing Gap:	0		
Financing Source		Amount	
Global Partnership on Output-based Aid		4.4468	
Environment Category:	B - Partial Assessment		

B. Project Development Objective(s)

to expand access to higher quality public transport and non-motorized transport services in Thimphu

C. Project Description

Component A - physical infrastructure:

This component will support: (i) bus stop infrastructure including shelters, turnouts, lighting, and basic passenger amenities at 80 locations; (ii) pedestrian infrastructure connections to upgraded bus stops; and (iii) development of the city bus terminal. In order to be eligible for verification and disbursement of GPOBA subsidy, each new / upgraded bus stop will need to provide the following:

- (i) Direct access to a regular bus route served by the City Bus Co.;
- (ii) A covered space of not less than 102 meters;
- (iii) Seating for at least 5 waiting passengers under the covered space provided;
- (iv) Lighting in sufficient quantity to illuminate the entire covered area and adjacent pedestrian access points to the stop;
- (v) A protected, vandalism-resistant location for basic passenger information on routes,

timetables, fares, and grievance handling;

- (vi) Drainage infrastructure as needed to move storm water away from the point of boarding / aligning and to ensure that the stop remains free from standing water throughout all seasons;
- (vii) Improved footpaths linking the stop to all other improved pedestrian access points within a 50 meter radius;
- (viii) Demarcated and safe pedestrian road crossings (i.e. zebra crossings, signage, and speed control devices where appropriate) at all pedestrian crossings within a 50 meter radius of the stop.

GPOBA will disburse a fixed unit rate subsidy upon the verification of each standard stop as summarized in E. Table 3. The upgraded city bus terminal will have a unique one-off subsidy payment tied to its completion. The envisaged approach to upgrading the city bus terminal will seek to use land value capture as a means for sourcing private investment to finance some portion of the new terminal's upfront costs. The portion of GPOBA subsidy tied to the central bus terminal's completion would offer a small capital grant to enable a greater level of investment than returns from retail space might otherwise support. During implementation, GPOBA and the Bank's team would review and provide a 'no objection' to the city bus stop's design specifications and conceptual design. Verification against these agreed contract specifications will subsequently govern the improved city bus stop's eligibility for disbursement. The team is seeking to collaborate with the International Finance Corporation's Thimphu based team on this particular aspect of Component A.

- (iii) Thimphu Thromde will lead the implementation of Component A in close cooperation with the Ministry of Finance and City Bus Co. This will include the development of pedestrian access to bus stops, electricity connections to stops, and the establishment of safe pedestrian crossings across roads as needed to meet verification criteria. Budget for these investments will come to Thimphu Thromde from the Ministry of Finance and will be a covenant within GPOBA's Grant Agreement. Once developed, stop infrastructure will remain under Thimphu Thromde's ownership and control in perpetuity.

Component B - investments in service delivery assets:

This component will support the purchase and mobilization of: (i) 10 primary route buses; (ii) 7 secondary route buses; and (iii) a bus control system consisting of GPS monitoring and a centralized data control system. In addition, Component B would support one-off fare subsidies to encourage the adoption of cashless ticketing approaches that City Bus Co. is currently considering under support from the United Nations Development Program (UNDP). Potential solutions may include pre-paid punch cards, monthly / semi-annual passes, or full 'smart card' solutions. GPOBA subsidies would help to drive uptake among low income households of whatever cashless ticketing solution City Bus Co. chooses to adopt following UNDP's TA activity. During project preparation, the team will also investigate ways of using GPOBA's initial subsidy scheme to develop a longer term approach to targeting subsidies at lower income bus customers. This may eventually help City Bus Co. to improve its financial viability through higher fares whilst mitigating any adverse impacts on lower income households.

The Ministry of Finance will procure all goods and services under Component B and will immediately transfer all assets to the City Bus Co. for ownership and maintenance in perpetuity. The City Bus Co. will lead implementation of service delivery using assets transferred from the Ministry of Finance. Similarly, the City Bus Co. will lead the rollout of cashless ticketing systems and the targeted fare subsidy scheme involving GPOBA funds.

Verification of the following outputs will serve to trigger release of GPOBA's subsidy under component B: (i) additional revenue-kilometers of bus services provided; (ii) additional paying

passengers carried on city bus services; (iii) sales of individual cashless tickets / cards. Technical assistance during project preparation will serve to define the baselines for additional revenue-km and paying passengers carried that will be attributable to the project.

Component C – verification, auditing, and implementation stage technical assistance:

This component will support: (i) independent verification of Disbursement Linked Indicators; (ii) annual audits of project funds; (iii) implementation stage technical assistance.

Implementation stage technical assistance will focus on two highly critical improvements that are needed to achieve DLIs:

- (i) Improving maintenance of the bus fleet to make full use of operating assets. There is a particularly acute need to develop a preventative maintenance regime for buses given the extensive lead times often required for sourcing parts into Thimphu. To date City Bus Co has struggled with effective maintenance. During 2014 there were periods where 1/3 of the bus fleet was inoperable due to unplanned maintenance events and difficulties in sourcing spare replacement parts; and
- (ii) Developing a passenger information system and marketing campaign aimed at encouraging more people to shift from private transport to public and non-motorized transport. As the quality and reliability of Thimphu's public transport network improves there may be an opportunity to expand the target market for bus services to higher income households and non-resident visitors. These higher income customers could eventually provide an important means for improving the financial viability of high quality bus services. To date, City Bus Co. has undertaken basic marketing steps such as branding buses with the recognizable logo "take a ride and be happy." and reaching out to parents of school children. However, there has been limited use of media, pricing incentives, and other techniques to shape demand.

There is a key opportunity to give passengers more control over trip planning by leveraging Thimphu's rapidly developing mobile internet network. The Ministry of Information and Communications reports that approximately there are approximately 117,549 people in Bhutan have a 3G internet connections via their mobile phones with the highest density of these connections in and around Thimphu. During 2013 alone, mobile broadband subscriptions increased by 529%. The team is therefore keen to pursue potential web-based applications for trip planning and has engaged with the Banks ICT team in this regard.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

City Bus Co., Thimphu Thromde (the city government), and MoIC have identified a long list of locations for proposed bus shelters. The government, with World Bank specialist support, has conducted an environmental and social screening of these sites to assess potential safeguards risks. The sites are all along existing road right of ways, within the vicinity of the Thimphu urban area. The proposed sites are all currently in use as bus stops, but lack shelter infrastructure. The bus terminal to be upgraded is an existing facility in the urban core of Thimphu. Proposed upgrading activities at the bus terminal include a shelter or passenger waiting, bus bays, shop and retail space, etc.

E. Borrower's Institutional Capacity for Safeguard Policies

Thimphu Thromde has already gained experience of IDA's safeguards requirements under the Bhutan 2nd Urban Development Project and its associated additional finance operation (P145392). This project entailed environmental screening and environmental assessment following policies according to OP/BP 4.01, Butan's Environment Assessment Act (2000), and various relevant RGoB Env.

Codes of Practice (ECoP). Borrower capacity will be re-evaluated during appraisal of this operation, and necessary capacity strengthening measures will be included in the project.

F. Environmental and Social Safeguards Specialists on the Team

Annu Rajbhandari (GENDR)

Govind Prasad Bhatt (GTI06)

Leanne Farrell (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>The project will entail construction of bus shelters (approximately 77), pedestrian infrastructure, and an upgraded city bus terminal. It will also finance the acquisition of new buses. There may be adverse environmental or social impacts associated with the civil works, and the potential decommissioning of some old buses as required by government safety regulations. In addition, the proposed project will result in higher frequencies of bus services, which may also carry adverse social and environmental impacts.</p> <p>The government, with support from World Bank specialists, has already screened all of the potential investment locations for environmental and social issues. The specific investment locations (bus shelters, terminal, etc.) to be financed through the project will be selected from the longer list that has undergone screening during implementation. Prior to appraisal and based on the screening conducted, the project will develop an Environmental and Social Management Plan (ESMP), which will include: (a) minimum criteria for selection to be financed under the project (e.g., negative listing of any bus shelter locations which would cause involuntary resettlement, etc.); (b) recommendations for bus shelter and other facility design to minimize negative impacts and enhance positive benefits (as applicable); (c) environmental, health and safety requirements of contractors carrying out civil works activities to be financed, (d) ongoing operational and bus system EHS maintenance requirements (including requirements for decommissioning of old bus fleet if such need is identified); (e) a</p>

		communications and grievance management system for the project; and (f) implementation arrangements, responsibilities, capacity building measures, and budget for all of the above. The construction management aspects of the ESMP will be annexed to contractor bid documents.
Natural Habitats OP/BP 4.04	No	Based on site screening carried out, all potential investment locations are in modified habitat or urban environments (e.g., along existing road right of ways or in built-up areas, etc.). No natural habitats will be impacted.
Forests OP/BP 4.36	No	Based on site screening carried out, all potential investment locations are in modified habitat or urban environments (e.g., along existing road right of ways or in built-up areas, etc.). No forests will be affected.
Pest Management OP 4.09	No	No pesticides will be procured through the project.
Physical Cultural Resources OP/BP 4.11	No	The government has screened all potential investment locations. Based on findings from this screening, the policy is not triggered.
Indigenous Peoples OP/BP 4.10	No	There are no known indigenous peoples in the project area.
Involuntary Resettlement OP/BP 4.12	No	Project investment locations to be financed will be screened and selected so as not to involve any involuntary acquisition of private land, or displacement of existing households or economic activities on government-owned land.
Safety of Dams OP/BP 4.37	No	There are no dams associated with the project.
Projects on International Waterways OP/BP 7.50	No	The project will not have any impact on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project area does not include any disputed areas.

III. SAFEGUARD PREPARATION PLAN

A. Appraisal stage ISDS required?: Yes

i. Explanation

- ii. Tentative target date for preparing the Appraisal Stage ISDS
15-Dec-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage ISDS.

January, 2016

IV. APPROVALS

Team Leader(s):	Name: Dominic Pasquale Patella,Dechen Tshering,Tenzin Lhaden	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Zia Al Jalaly (SA)	Date: 02-Nov-2015
Practice Manager/ Manager:	Name: Karla Gonzalez Carvajal (PMGR)	Date: 03-Nov-2015

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.