



Additional Financing Concept Environmental and Social
Review Summary
Concept Stage
(AF ESRS Concept Stage)

Date Prepared/Updated: 02/12/2023 | Report No: ESRSAFC008



BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Bhutan	SOUTH ASIA		
Project ID	Project Name		
P179184	Bhutan HCRRP Additional Financing		
Parent Project ID (if any)	Parent Project Name		
P174399	Bhutan Human Capital Recovery and Resilience Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Education	Program-for-Results Financing	5/8/2023	6/30/2023

Development Objective
Support building, protecting, and utilizing human capital in Bhutan

Financing (in USD Million)	Amount
Current Financing	43.01
Proposed Additional Financing	3.00
Total Proposed Financing	46.01

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

D. Environmental and Social Overview



D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project area covers all over Bhutan. The nation's territory totals an approximate 38,394 square km. Because of its inland, landlocked status, it controls no territorial waters. The Himalaya mountains of Bhutan dominate the north of the country, where peaks can easily reach 7,000 m (22,966 ft); the highest point in Bhutan is Gangkhar Puensum, which has the distinction of being the highest unclimbed mountain in the world, at 7,570 m (24,840 ft). Weather is extreme in the mountains: the high peaks have perpetual snow, and the lesser mountains and hewn gorges have high winds all year round, making them barren brown wind tunnels in summer, and frozen wastelands in winter.

The population of Bhutan is around 867,000. The Sex Ratio in Bhutan in 2021 is 113.70 males per 100 females. urban population: 38.6% of total population. Bhutan unemployment rate for 2021 was 4.33%, a 0.68% increase from 2020. Life expectancy at birth is 70.2 years. In 2021, literacy rate for Bhutan was 70.9 %. The literacy rate of Bhutan increased from 52.8 % in 2005 to 70.9 % in 2021 growing at an average annual rate of 10.55%.

D. 2. Borrower’s Institutional Capacity

The Program is being implemented by the Ministry of Labor and Human Resources (MoLHR) and the Ministry of Education (MoE).

However, none of the Implementing Agencies have any past experience with World Bank IPF preparation and Implementation including any experience with ESF.

The National Environment Commission (NEC) and the local government bodies deal with E&S management of risks and impacts. As such, MOE and MoLHR do not need any dedicated entity within the Ministries for this purpose. Further, for the PforR Operations, both the ministries are following the Government environmental and social rules and regulations and continuous capacity building measures, including training, are ongoing.

The MoE does not have plans to have a separate GRS for the program. The usual practice is that MoE receives the complaints, if any, directly from the individual/agency affected. Besides, the individual/agency affected can make direct complains to e-KaaSel (central grievance handling system) and Prime Minister’s Office (PMO). The MoE has no plans to come up with a new system to address program related GBV issues. For GBV, Bhutan has National Commission for Women and Children (NCWC), Respect, Educate, Nurture and Empower Women (RENEW) initiative and Royal Bhutan Police (RBP) that are effective.

Given the nature of the AF IPF, no adverse environmental and social impacts are expected from the activities and the implementing agencies would not require substantial capacity development to manage ES risks and impacts. However, the ESSA updates for the additional financing will include capacity building process and measures, should the need arise.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

Public Disclosure



The AF IPF Component will revolve around project management, coordination and monitoring and evaluation support. The activities will not lead to any waste generation, issues with resource usage, impact on biodiversity etc. Given the COVID pandemic situation, which is yet to be over, health and safety of those who will work to coordinate, monitor and train various stakeholders need to be taken into consideration. The outputs from this IPF will mainly include training modules for project personnel, monitoring and evaluation reports, provision of goods for service delivery, none of which will lead to any recognizable environmental risk and impacts. Given the context under which this IPF will be developed, potential ES risks and impacts, ability of the environment to absorb the risk and client capacity to manage the risk—the environmental risk is rated as Low.

Social Risk Rating

Low

The IPF component will support project management and coordination, capacity building, monitoring and evaluation and provision of goods for service delivery. There will not be any civil works under this component. The social issues would be associated with monitoring project activities that would include tracking inclusion, labor issues, monitoring stakeholder engagement, overseeing implementation of activities etc. However, the IPF itself will not cause any risks and impacts associated with the main Program activities. There will be no impact on labor and OHS, land acquisition, cultural resources, indigenous people, etc. through the IPF. Given that the TA activities will be implemented in a COVID context, risks and impacts of COVID exposure of staff carrying out TA activities will need to be considered. The AF IPF activities are anticipated to have a positive impact on the Program outcome through capacity development and management of monitoring and evaluation issues. Based on the scale and nature of the IPF component, anticipated risks and impacts and the context under which this IPF will be implemented, capacity of the Borrower to manage risks under the IPF, the social risk rating has been assessed as Low.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This ESS is relevant. There would not be any construction related activities under this component and would mainly include activities such as project management, coordination and monitoring and evaluation support. Based on the activities planned under IPF component, the ES risks are expected to be low. An ES screening will be undertaken to identify any ES related risks and impacts including COVID-19 exposure related to the activities such as monitoring and implementation of stakeholder engagement plan. Capacity building curriculum will also include capacity to monitor and manage overall activities. An ESCP detailing material measures and actions for assessing and managing ES risks and impacts under this IPF component would be prepared. Instead of preparing standalone LMP and SEP, these would be integrated with ESCP.

Areas where “Use of Borrower Framework” is being considered:

Borrower framework is not being considered.

ESS10 Stakeholder Engagement and Information Disclosure

Consultations and disclosure of information with stakeholders will be at the core for planning and implementation of the IPF component. The key stakeholders include officials at the Ministry of Education and Ministry of Labor and



Human Resources, teachers and trainers at various educational levels, NGOs working in primary education sectors, researchers/academics etc. The borrower will identify all relevant stakeholders and will prepare a Stakeholder Engagement Plan (SEP) illustrating methods, channels and timing of engagement, feedback and grievance redress mechanism (which is the existing Program level GRM) to raise concerns about the IPF component. Instead of the standalone document, the SEP would be integrated with the ESCP.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The IPF component involve civil servants of the ministries (who will retain the employment status with the Government) and individual consultants for capacity building and monitoring and evaluation as Direct Workers for various studies, assessments and development of training modules etc. No contracted worker or community workers are expected to be assigned under this IPF. The ESCP would include Labor Management Procedures (LMP) incorporating aspects such as applicability of labor laws and, non-discrimination and equal opportunity, grievance mechanism for all workers, as well as issues related to COVID-19 pandemic.

ESS3 Resource Efficiency and Pollution Prevention and Management

Not currently relevant.

ESS4 Community Health and Safety

Though the impact of COVID 19 pandemic is yet to be over, the program personnel associated with the IPF component will work closely with each other and may be exposed to health and safety concerns. Measures will be taken to ensure COVID protocol adherence during their activities.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not currently relevant.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not currently relevant.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not currently relevant.

ESS8 Cultural Heritage

Not currently relevant.



ESS9 Financial Intermediaries

Not currently relevant.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

OP 7.60 Projects in Disputed Areas

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

Not Applicable.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

The Borrower will prepare and disclose ESCP integrating SEP and LMP before appraisal.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

ESCP will include measures to be taken to address the minimal ES risks and impacts and provisions of capacity building and training. Reporting system will also be included in the ESCP. The ESCP would also include management of issues related to labor and stakeholder engagement plan.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Public Disclosure



Implementing Agency(ies)

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VI. APPROVAL

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