



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

Date Prepared/Updated: 05/17/2023 | Report No: ESRSAFA554



**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

Proposed 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
<b>Total Proposed Financing</b>	<b>46.01</b>

**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]**

The proposed Additional Financing (AF) contributes to the original Project Development Objective (PDO) of the parent program. This AF will scale up the key activities and incorporate a few changes. Specifically, the AF will support a subset of the government’s 12th Five Year Plan (FYP) by strengthening implementation of selected activities that fall



primarily under National Key Results Areas (NKRAs) 7 on improved access and quality of education outcomes. The technical assistance (TA) will support institutional capacity building in new areas and strengthen links across the education subsector under IPF component.

#### D. Environmental and Social Overview

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

Interventions and activities of the Parent Program cover all over Bhutan. However, the IPF component will only include project management, strengthening implementation capacity, relevant goods for office and monitoring and evaluation. Bhutan'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 Ministry of Education and Skills Development (MoESD) will implement the AF of the Program which includes both an IPF and a PforR component. The IPF component would fund project management, monitoring and evaluation, capacity building activities, training and workshop and office equipment. MoESD already has experience in planning and implementing the parent Program which was only a PforR. However, it does not have any 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 the management of E & S risks and impacts. For the Project Implementation Agency (IA), an ESF training has been provided by the Bank ES team face-to-face in December 2022, covering aspects of all the ESSs, various ES instruments, risk rating, assessment and management of ES risks associated with the activities, grievance redress mechanism and consultation. The IA also has an assigned ES focal point to assess and monitor ES risks and impacts. The ES risk for the activities have been rated as Low and handholding support to the focal point and the IA officials is being provided. Further, for the PforR Operations, the IA is following the Government environmental and social rules and regulations and undertaking continuous capacity building measures, including training. For grievance management, the ES focal point will receive grievances through various channels (phone, SMS, email etc) and administer the grievance redress with directive from the IA. The IA will also use the already established grievance management system e-KaaSel (central grievance handling system) to receive grievances. The IA will receive grievances from these sources and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. For SEA/SH related complaints, the IA will adopt Bhutan's National Commission for Women and Children (NCWC), One Stop Crisis Center, Respect, Educate, Nurture and Empower Women (RENEW) initiative and Royal Bhutan Police (RBP)'s existing system in a safe, confidential and survivor-centric manner, respecting the desire and decision of the survivor.



II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

Activities included in the AF IPF Component include project management, coordination and monitoring and evaluation support. It is unlikely that that these will 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

Under the AF IPF component there will not be any civil works. There will be no impact on labor and OHS, land acquisition, cultural resources, indigenous people, etc. through the IPF. The social issues would be associated with monitoring project activities that would include tracking inclusion, 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. 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:

There would not be any civil construction activities under this IPF component and would mainly include activities such as project management, capacity building, coordination and monitoring and evaluation support. The ES risks have been assessed as low, given the activities under the IPF. ES screening has been 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 activities 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 has been prepared which also integrates LMP and SEP.

ESS10 Stakeholder Engagement and Information Disclosure

Public Disclosure



A round of consultations and disclosure of information with stakeholders are at the core for planning and implementation of the IPF component. The key stakeholders include officials at the Ministry of Education and Skills Development, teachers, facilitators and trainers at various educational levels, NGOs working in primary education sectors, researchers/academics etc. The borrower has identified all relevant stakeholders and carried out a number of consultation. The consultation included the overall Program activities, including the ECCD renovation, WASH facilities for schools (both under PforR, not IPF), the project management, capacity development and M&E issues. Given the ES risk profile and the activities the SEP has been integrated as part of 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 IA (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 integrates the Labor Management Procedures (LMP) incorporating aspects such as applicability of labor laws including workplace harassment 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**

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 including usage of face mask, washing of hand, temperature monitoring, maintenance of safe distance and reporting to health facilities upon symptoms.

### **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**

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

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

Use of Borrower Framework is not being considered.

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

**Implementing Agency(ies)**

**V. FOR MORE INFORMATION CONTACT**

Public Disclosure



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## VI. APPROVAL

Task Team Leader(s):	Tsuyoshi Fukao, T. M. Asaduzzaman
Practice Manager (ENR/Social)	Christophe Crepin Cleared on 09-May-2023 at 21:29:33 EDT
Safeguards Advisor ESSA	Pablo Cardinale (SAESSA) Concurred on 17-May-2023 at 08:06:28 EDT