

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SANS

|   |                                  |  |  |                                  |
|---|----------------------------------|--|--|----------------------------------|
| TA No., Country and Name  |                                  |  | Amount Approved: \$200,000                     |                                  |
| TA 4636-BHU: Capacity Building to Implement Environmental Assessment Procedures   |                                  |  | Revised Amount: \$200,000                      |                                  |
| Executing Agency<br>National Environment Commission Secretariat   |                                  | Source of Funding<br>TASF                      | Amount Undisbursed:<br>\$55,507.25             | Amount Utilized:<br>\$144,492.75 |
| TA Approval Date:<br>22 Aug. 2005   | TA Signing Date:<br>30 Sep. 2005 | Fielding of First Consultants:<br>14 Nov. 2005 | TA Completion Date<br>Original: 31 Oct. 2006   | Actual: 30 Jun. 2007             |
|   |                                  |  | Account Closing Date<br>Original: 31 Oct. 2006 | Actual: 31 Jan. 2008             |
| <b>Description</b>  |                                  |  |  |                                  |
| <p>In 1990, the Government of Bhutan adopted the Paro Resolution, pledging to balance economic development with environmental protection and sustainable use of natural resources. The principle of 'environmentally sustainable development' was embodied in the National Environmental Strategy titled, "<i>The Middle Path</i>" (1998) and also in Bhutan's long-term development plan titled, "<i>Bhutan 2020: A Vision for Peace, Prosperity and Happiness</i>" (1999). Improving technical capacity and institutional arrangements to undertake environmental impact assessments was identified as a means of achieving sustainable development in <i>Bhutan 2020: A Vision for Peace, Prosperity and Happiness</i>. Accordingly, the Government passed the Environmental Assessment Act (EAA) in 2000 and adopted corresponding Regulations (<i>Regulations for Environmental Clearance of Projects and Regulations for Strategic Environmental Assessment</i>) in 2002.</p> <p>The National Environment Commission (NEC) was empowered as the key agency responsible for enforcing the provisions of the EAA. The NEC Secretariat (NECS) was vested with authority to issue environmental clearance of all development projects based on the satisfactory completion of an environmental assessment (EA). Under the EAA, NEC could delegate this responsibility to Competent Authorities.<sup>1</sup> However, prior to delegation of responsibilities to Competent Authorities, the respective staff of these agencies had to be trained in substantive and procedural aspects of EA. There was also a need to create awareness and build capacity amongst high-level policy makers, project proponents, contractors of large civil works projects and EA practitioners.</p> <p>The technical assistance (TA) project was intended to assist the Government with a capacity building program to implement its EA procedures. ADB supported the program in view of: (i) the need to continue past capacity-building activities in the environment sector to a logical conclusion<sup>2</sup>, and (ii) the strategy of building institutional capacity to facilitate ADB operations in the other key sectors. Accordingly, the TA was included in the 2005 non-lending program.</p> |                                  |  |  |                                  |
| <b>Expected Impact, Outcome and Outputs</b>   |                                  |  |  |                                  |
| <p>The impact of the TA was to contribute to Bhutan's achievement of the Millennium Development Goals in line with the Paro Declaration in 1990 on balancing economic development with environmental protection. The outcome was to enhance the effectiveness and efficiency in implementing EA procedures in Bhutan. This was to be achieved by (i) improving the capacity of government officials at all levels to implement the environmental clearance procedures, (ii) improving the technical capacity of EA practitioners and proponents of development projects in the country, and (iii) developing a core group of trainers to conduct in-country training in EA.</p>   |                                  |  |  |                                  |
| <b>Delivery of Inputs and Conduct of Activities</b>   |                                  |  |  |                                  |
| <p>The design, scope, and the terms of reference of the TA were considered adequate to achieve the TA objective. Two consultants were recruited: one international for 1.6 person-months and one domestic for 8 person-months. A total of 9.6 person-month inputs are slightly more than 9.5 person-months originally envisaged. The TA consultants fulfilled their terms of reference and achieved the envisaged outputs. NECS, the executing agency, was satisfied with the technical inputs and logistical support provided by the consultants. Overall, the consultants' performance was satisfactory. NECS fully met its requirements to provide office accommodation, counterpart staff, and information. NECS, and in particular the TA focal point, was actively engaged throughout the TA and took full ownership of the</p>   |                                  |  |  |                                  |

<sup>1</sup> Competent Authorities are agencies that are authorized to issue development consent for a project under Article 6.4 of the EAA.

<sup>2</sup> CADB supported the development of EA guidelines for several key sectors under TA 4120-BHU: Strengthening Environment Sector Capacity Project. This TA of \$150,000 was approved in May 2003 and completed in April 2004.

outputs. NECS' performance was rated satisfactory. ADB provided the necessary support in coordinating TA activities and provided guidance to NECS and the consultants on the preparation of EA training documents. ADB fielded one review mission in July 2006. There was no change on project scope during the TA implementation; however the duration of the TA was extended by 8 months to accommodate a delay in undertaking the overseas exposure program. NECS acknowledged ADB's technical support and supervision during implementation. ADB's performance was rated satisfactory.

### **Evaluation of Outputs and Achievement of Outcome**

The key outputs of the TA were: (i) Reference Manual for Environmental Impact Assessment Training in Bhutan; (ii) Trainers' Guide for EIA Training; (iii) overseas exposure program on EA practices of Vietnam and Thailand for a group of core EA trainers; and (iv) 4 training/awareness workshops on EA and management for the industrial, mining and construction sectors, *Dzongkhag* (district) Environmental Committee members, and high-level policy makers.

The Reference Manual on EIA is a comprehensive document which covers the broad principles of sustainable development and environmental management, the principles and methods of EA with specific reference to Bhutan, and detailed EA guidelines. The Trainers' Guide serves as an in-depth reference manual on preparing and implementing EA training programs. NECS staff worked closely with the consultants in preparing these documents and considered them to be useful outputs of the TA. The overseas exposure program served as a useful opportunity for 15 staff from NECS and several key Competent Authorities to experience first-hand, the EA procedures, strategies and challenges faced by the two countries visited. Finally the training/awareness workshops were useful to introduce substantive and procedural aspects of EA to a large number of stakeholders. In all, around 200 persons received awareness/training through these workshops. Three of these workshops were intensive 5-day residential programs which provided participants with in-depth exposure to issues and methods of EA.

The TA assisted in institutionalizing in-country training on EA at an appropriate training institute in Bhutan. The Royal Bhutan Institute of Technology (RBIT) in Phuentsholing was identified by NECS as a potential institute to collaborate in conducting training. A staff member from RBIT was included in the group of trainers who received overseas exposure in EA practices. However, a formal arrangement for collaboration was not established between NECS and RBIT, although modules developed under the TA would be used by RBIT's curricula. NECS will conduct training courses either in collaboration with other institutions or with its own arrangements.

### **Overall Assessment and Rating**

Overall, the TA is rated as successful. It achieved the objective of improving effectiveness and efficiency of conducting EA in Bhutan. The awareness and detailed EA training has benefited a large number of government officials, practitioners and project proponents. The reference documents will be continuously used by NECS in conducting future training of a similar nature.

### **Major Lessons**

Adequate legal and regulatory framework and existence of a responsible body with sufficient authority and capacity are essential to establish a safeguard review mechanism. The project design should include institutionalization of capacity building measures to ensure sustainability of the project outcome.

### **Recommendations and Follow-Up Actions**

Since the completion of the TA, Bhutan has been in a transition from a monarchy to a democratic form of governance. The corresponding institutional changes will have a bearing on how the EA regulations are implemented in future. The Government should continue provision of awareness creation and training on EA to staff of newly formed or re-structured agencies in order for the EA process to function smoothly and efficiently. To continue training programs without external support in future, institutionalization of the training at an existing institute should be further pursued. The reference documents and group of trainers developed through the TA can be used to continue such training programs, although the Government would need to avail funds from its own resources for this purpose.

In keeping with the Paris Declaration on Aid Effectiveness, the World Bank undertook an assessment of Bhutan's safeguard review systems with a view to supporting harmonization by adopting Bhutan's country systems. The assessment revealed that Bhutan's policies, legislation and regulations reflect international best practice to a significant extent. However, some differences with Bhutan's systems were identified when compared with the World Bank's environmental safeguard policies. These differences would need to be bridged in order for development partners to adopt Bhutan's country systems comprehensively. It is recommended that the Government address these differences, if necessary, by seeking technical and financial support of the development partners. Subsequent ADB assistance to this end would be considered.