Bhutan: Thimphu Road Improvement Project

**Project Name**
Thimphu Road Improvement Project

**Project Number**
44240-014

**Country**
Bhutan

**Project Status**
Active

**Project Type / Modality of Assistance**
Grant

**Source of Funding / Amount**
Grant 0499-BHU: Thimphu Road Improvement Project

concessional ordinary capital resources lending / Asian Development Fund

US$ 4.26 million

**Strategic Agendas**
Environmentally sustainable growth
Inclusive economic growth

**Drivers of Change**
Governance and capacity development

**Sector / Subsector**
Transport - Urban roads and traffic management

**Gender Equity and Mainstreaming**
Some gender elements

**Description**
The project will improve the mobility of residents in the country’s capital, Thimphu, by undertaking essential road improvements of urban roads, and the construction of drainage and pedestrian infrastructure. The project will further support the capacity enhancement of Thimphu Thromde officers for undertaking crucial road asset management.

**Project Rationale and Linkage to Country/Regional Strategy**
The total number of vehicles in the country has increased rapidly at an average annual growth rate of 11% from 1997 to 2012. Most of this growth occurred in Thimphu where, after slowing briefly during 2012-2014, the growth rate increased again by 5.2% from 2015 to 2016. This is putting significant stress on Thimphu's road infrastructure. The Local Area Plan (LAP) was a rare successful example of a land-pooling scheme in the developing world. However, this planned urbanization caused an unprecedented construction boom that has severely damaged the road infrastructure in several parts of the city, particularly the LAP areas in the south. Thimphu's roads were designed for normal traffic conditions, and the influx of heavy construction vehicles on residential and commercial streets has caused damage that cannot be repaired or restored by routine maintenance. At the same time, a rapid increase in vehicular traffic is creating congestion, which is further aggravated by deteriorating road conditions. Several sections of the city’s roads are riddled with potholes and suffer from water-logging due to poor drainage. The government has identified road repairs and improvements in Thimphu as its top priority, with road safety and traffic management as its key concerns. Addressing these issues will be crucial to maintain the significant benefits of the LAP’s successful implementation and enable this strategy to be widely and continuously replicated in the future. Thus, the government has requested ADB support to prepare a project to address these key issues urgently. The project will ensure sustainable urban development in Thimphu based on the Thimphu Structure Plan and the LAPs.

The project is consistent with the government’s plans and strategies, and with the inclusive social development objective of ADB’s country partnership strategy for Bhutan, which aims to improve urban infrastructure and services, upgrade city planning, and strengthen the planning and management functions of municipalities. It is also consistent with ADB’s Midterm Review of Strategy 2020 as it contributes to the envisaged outcomes of environmentally sustainable development and the development of urban infrastructure, two of ADB’s five core areas of specialization. Lessons learned from past and ongoing urban projects and the country assistance program evaluation have been incorporated into the project design.

**Impact**
Mobility of residents in Thimphu Thromde (municipality) improved (Thimphu Structure Plan: 2002 -2027)

**Description of Outcome**
Safety and efficiency of the road network in Thimphu Thromde improved

**Progress Toward Outcome**

**Implementation Progress**

**Description of Project Outputs**
Repair, resurfacing, and improvements of roads in Thimphu Thromde completed. Municipality’s capacity for asset management and O&M strengthened

**Status of Implementation Progress (Outputs, Activities, and Issues)**
Package 1 comprising four lots for road improvement works was awarded in March 2017 and has been completed.
Package 2 was awarded in May 2018 and works are ongoing. Procurement for Package 3 for additional road improvement works is ongoing and expected to be awarded in Q3 2019.

**Geographical Location**
Thimphu

**Safeguard Categories**

| Environment | B |
| Involuntary Resettlement | C |
| Indigenous Peoples | C |

**Summary of Environmental and Social Aspects**
Environmental Aspects

The project is classified as Category B for environmental safeguards as per ADB SPS 2009. Draft EMP was prepared as part of the IEE which was uploaded on the ADB website. The IEE was attached to the bidding documents for the procurement of works. The project has been classified as medium-high risk based on ADB’s climate risk checklist and preliminary screening. The project design incorporates such measures as (i) the construction of roadside drainage channels in areas prone to flooding and water-logging, and (ii) the use of enhanced road specifications to deal with the increased risk of flooding. In light of this particular risk profile a further climate risk and vulnerability assessment was carried out to help assess the project’s particular vulnerabilities to climate change impacts and propose feasible and appropriate risk-mitigating measures to be incorporated in the detailed engineering design. These measures will help ensure the road infrastructure’s climate resilience and robust operation during extreme weather events induced by climate change.

Involuntary Resettlement

The works under the project are restricted to the urban area of Thimphu and fall within existing right-of-ways. It is therefore not expected to require involuntary resettlement.

Indigenous Peoples

The works under the project are restricted to the urban area of Thimphu and fall within existing right-of-ways. It is therefore not expected to impact indigenous people.

Stakeholder Communication, Participation, and Consultation

During Project Design

A Consultation and Participation Plan (CAPP) has been prepared in order to ensure meaningful consultation with stakeholders, which will be continuously undertaken through the project. The purpose of CAPP is to disseminate information and enhance the level of informed decision-making in the implementation of subprojects. Consultation and project awareness campaigns are meant to open up the line of communication between various stakeholders and the project implementing authorities thereby aiding the process of conflict resolution in the early stages of the project cycle rather than escalation of conflict and attendant implementation delays and cost overruns. Participation is also meant to develop ownership of assets created under the project.

During Project Implementation

The project intends to maximize transparency by communicating relevant project information to stakeholders through various channels. All the procurement related information and safeguards documents will be posted on the website of the Thimphu Thromde and MOWHS. The PMU will also fully disclose relevant project-related information through public briefings, display of notices on bulletin boards and through its municipal annual reports, etc.

Business Opportunities

Consulting Services

Multiple contracts (trainers, study visits etc.)

Procurement

One ICB (four lots) works package and one NCB works package

Responsible ADB Officer
Shinjini Mehta

Responsible ADB Department
South Asia Department

Responsible ADB Division
Urban Development and Water Division, SARD

Executing Agencies
Department of Engineering Services (DES)  
Ministry of Works & Human Settlement  
Drentoen Lam, Thimphu Bhutan

Timetable

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<td>Fact Finding</td>
<td>19 May 2016 to 01 Jun 2016</td>
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Grant 0499-BHU

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Project Page
https://www.adb.org/projects/44240-014/main

Request for Information
http://www.adb.org/forms/request-information-form?subject=44240-014

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