

Simplified Approval Process

Annex 11: Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project

Climate Adaptation, Resilience and Engagement in Local Governments (CARE-LG) Project

Bhutan

January 15, 2024



**GREEN
CLIMATE
FUND**

1. The CARE-LG will be built on and scale up the Government's efforts of climate-change adaptation initiatives at the local level, which was implemented in the past FYPs through performance-based grants (PBG) mechanism. The CCA activities at the local level through PBG was first supported through the UNCDF LoCAL facility in 2011, when UNCDF, based on the country's suitability and enabling conditions, decided to make Bhutan the first pilot country to implement the system. The LoCAL pilot program was originally implemented as a component of the larger *Joint Support Program (JSP) on Capacity Development for Mainstreaming Environment, Climate Change and Poverty Concerns in Policies, Plans and Programmes*. With the primary objective to support community capacity building on CCA, the project component supported the CCA ex-ante financial top-up to cover the incremental costs of climate related investments and complimenting regular budget allocations from the Government. Based on the positive result from the utilization of the grants and to sustain the practice, it was later continued as a component of the *Local Governance Sustainable Development Programme (LGSDP)*¹ implemented during the 11th FYP (2013/2014 to 2017/2018). In the ongoing 12th FYP (2018/2019 to 2022/2023), it was replicated under the *Capacity Development to LGs and Fiscal Decentralization (CDLG&FD)* programme of the *EU Budget Support (EBS)* till end of 2023.
2. The PBGs have proven to be an effective mechanism in transferring adaptation finance directly to LGs, and provided an incentive to mainstream CCA actions at the local level. Integrated within the existing government systems and procedures of allocating capital grants to LGs, it improved efficiency in spending and allowed for low transaction costs with a strong local ownership. Moreover, participatory approaches to local climate vulnerability assessments have been useful in promoting better awareness of climate vulnerabilities and adaptation needs among local communities, while actively engaging them in the use of PBGs to address adaptation priorities. Integration and alignment of this interventions with the country's PFYs, provided a viable platform to pursue and strengthen PBGs as part of the national agenda for sustainable development, including mobilization of funds for scale-up. Therefore, the National Adaptation Plan (NAP) 2023² recommends that performance-based grant (PBG) should be utilised as an entry point for climate adaptation planning for LGs.
3. In the near future, the Government intends to institutionalize PBG mechanism as a strategy to mainstream CCA across all portfolio of grant windows. To this effect, CARE-LG is deemed as a most befitting strategy to complement CCA mainstreaming effort of the Government in the 13th FYP (2023/2024 – 2028/2029) to scale up and replicate CCA investments to support the most vulnerable communities. The project's value addition lies in further strengthening of CCA strategies for empowering LGs and local communities with adaptive technical capacity to establish the practice to continue even after the completion of the project. The lessons learnt from the project will be disseminated to promote large scale replication in the country, through the support of possible subsequent phases of CARE-LG from potential development partners or funding windows.

¹ <https://www.dlgdm.gov.bt/about-lg/12>

² Kingdom of Bhutan, First National Adaptation Plan, 2023

Progress Report

No evaluation was implemented to evaluate the impact of phase 1 and phase 2 of LOCAL program. However, the annual monitoring reports captured success stories from the gewogs who received the small scale infrastructure investments³ (EU financing) implemented under the phase 2. Stories compiled from the following reports are presented under this Annex.

- Report on Performance based grant mechanism focusing on gender, environment, climate, disaster, and poverty mainstreaming, good governance, and accountability. September 2018.
- Strengthening Climate Resilience in Mountain Areas through Local Climate Adaptive Living Facility (LoCAL) mechanism-Case study in Bhutan. August 2020.
- Strengthening Climate Resilience in Mountain Areas through Local Climate Adaptive Living Facility (LoCAL) mechanism-Case study in Bhutan. August 2021a.
- Strengthening Climate Resilience in Mountain Areas through Local Climate Adaptive Living Facility (LoCAL) mechanism-Case study in Bhutan. August 2021b.
- Investing in Climate Change Adaptation through Local Governance System. 2021

1. Environment conserved and sustainably utilized at the local level

a. Farm Road:



Figure 1. Ramichen Farm Road

EU had supported the construction, maintenance and climate proofing (retaining walls, breast walls, culverts, drainage system etc.) of farm roads in 46 Gewogs across the country. These farm roads have improved the lives of the people in the rural communities by improving access to basic amenities such as hospitals and schools, connecting the communities and enhancing community vitality, and eventually improving the socio-economic

status of the people as the roads enabled accessibility to markets for their produce. Before the farm roads were constructed, the people had to use horses which was time consuming and difficult as it damaged the produce at times. Now the produce can reach the market easily while they are still fresh.

“It is one of the most beneficial road for more than 800 people in the community. It has benefitted the local primary school. Prior to the road, parents had to come to drop and pick up their children from the school. When the parents were busy with field work, children had to miss school. Now the children can walk to school using the road reducing absenteeism and improving their performance. The road also improved access to the hospital especially when there are emergencies like child birth and sudden illnesses” - shared Ap Drukchu, a 63-year-old beneficiary of farm road, Ramichen.



Figure 2: Ap Drukchu with his grandson

³ Under the CARE LG, only the investments of ESS category C will be supported.



Figure 3. Chimi Yangki and Tshering Choden, Students, Ramichen Primary School

“The road is very useful to us students. Most times, we can go to school with friends and stay back after class for sports and other extra-curricular activities. Only when it rains heavily, our parents or some elders from the community drop and pick us from school because the local stream floods sometimes. We think if this road was not there, coming to school would be very difficult. Maybe some of our parents might send us to boarding schools far away. Maybe some of us won’t be sent to school, my mother is always worried about flood and landslides when it rains here” shared Chimi Yangki and Tshering Choden, students of class 4, Ramichen

Primary School.

b. Bridges:

Bhutan is a country rich with water resources. This also meant that most of the streams and springs across the communities can be both resourceful as well as challenging during the monsoon seasons. An example is Yoekorling chiwog in Gangtey where streams such as Sangtena and Ackchu which are dry in the winters but cause major problems during the monsoon season.

“The stream looks small and dry but it swells up during the rainy season, even carrying away cattle at times”, shared Wangmo and Lhakpa Dem, beneficiaries of the slab bridge over Ackchu in Gangtey gewog.

They shared, *“we have to take cattle across the stream for grazing, work in the potato fields and also take the potato, our main cash crop to the market for sale. Prior to the slab bridge, whenever there was heavy rain, we could not take our cattle for grazing, could not go to work in the fields or take our produce to the market because we were worried that the stream would swell up and flood. The wooden blocks we used as bridge to cross the stream would be carried away and it took a lot of time to place another wooden block safely. It was always very risky during the monsoon. We are very grateful to the EU for this generous support”*. Now with the bridge, their lives have become much easier. Their cattle can go grazing every day, while they can work peacefully in the farms across the stream without any worry. Most importantly, they are now able to take their fresh produce to the market anytime they want.



Figure 4. Wangmo and Lhakpa Dem on the slab bridge

2. Good governance strengthened at the local level

“Phobjikha Gewog’s consultation process with the community is considered as a ‘best practice’ and cited as an example in other Gewogs”, reflects Jamtsho, Phobjikha Gup, a beneficiary from the LG capacity building programs. Jamtsho has been serving as the Gup in Phobjikha since 2011. Prior to the EU- Bhutan support, he had participated in some capacity building workshops but they did not prepare him well with fiscal planning and integrating climate change in his plans.

The capacity building workshops provided with EU support was very found to be very useful, particularly in the way it helped the local leaders prioritize plans and activities for the communities. *“It made a lot of difference in the way I look at things from various perspectives. Prior to the workshops, when I consult people for their needs, I would list everything and submit them, not being able to prioritize. This resulted in most of the activities being dropped at the Dzongkhag level since I could not provide strong justifications for many of them”,* gup Jamtsho claims.



Figure 5. Gup Jamtsho, Phobjikha

After the capacity building workshops, the local leaders were able to understand certain things very clearly, such as climate change impact and the importance of mitigation, prioritization exercise and rationalization, community engagement, effective fund utilization etc. As a result, they were able to prioritize activities for the local communities and also share with them the importance of sustainable activities such as protecting water sources, mitigating climate change, use of toilets, economic diversification, etc.

Another impact was in the judicious and effective use the funds particularly after the workshops and trainings. Prior to the workshops, the local leaders spent much of the local grant in renovating temples, schools and building farm roads wherever possible. Now they can focus on the specific priority for each community and focus on what is urgent and important based on the prioritization matrix they had learnt from the workshops.

“I learnt that not everything people want is important. I am able to dive deeper and understand the real needs of communities. I have learnt to focus and prioritise. Last year, I got about 97% marks in my performance evaluation and I am proud of what we have done in Damji. I owe it to the EU support of both capacity building and funding support”, shared Yangka, GAO of Khamaed Gewog, Gasa.



Figure 6. Yangka, GAO, Khamaed Gewog, Gasa

3. Inclusive and equitable socio-economic development sustained at the local level

EU's support to communities in Bhutan was flexible and well suited to the needs of the local communities. It included work related farms roads and bridges, electric fencing and irrigation channels, rehabilitation of lakes and water sources, health and sanitation facilities, footpaths and drainage systems, seedling supplies and new crop varieties promotion, greenhouses, conservation of historically symbolic lakes and maintaining heritage villages.

a. Drainage system, footpath and courtyard for Drinchengang Heritage Village

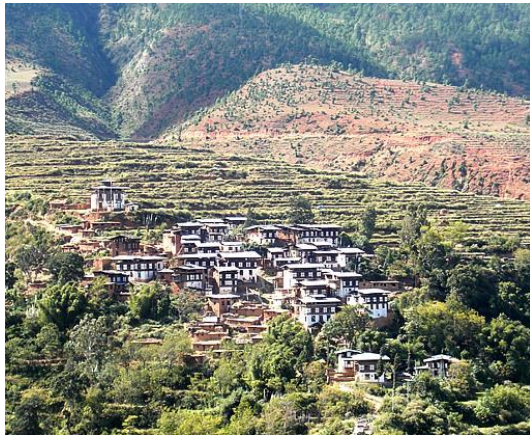


Figure 7. Drinchengang Heritage Village

Drinchengang Heritage Village, under Thedtsho gewog is considered to be one of the oldest villages in Bhutan with 83 households with 760 people and 41 buildings. It is a bunched village located opposite the majestic Wangdue Phodrang Dzong. There is a strong historical importance to this village, which is linked to the founder of Bhutan, Zhabdrung Ngawang Namgyel. The ancestors of Drinchengang people were believed to be the soldiers of Zhabdrung who migrated from Tibet and were commanded to build the Wangdue Phodrang Dzong in 1638. Since then, their descendants have continued to live on in the village which grew from 11 houses to 41 houses.

The village had received little attention in terms of developmental activities and remained vulnerable to disasters

such as fire and landslide, and the health and sanitation of the community remained poor due to location of facilities such as proper drainage and sewage system.

The following is an excerpt from the **Thedtsho gup, Chador's** interview:

"Prior to the support from EU, the health and sanitation of Drinchengang Village used to be very poor. We had no drainage system or a septic tank. There was no proper path to the village and no courtyard at the community temple. We only used to have a small ground in front of the temple that would get muddy during the rainy season and a lot of weeds used to grow there.

With the support from EU, the access to and through the village has been improved with the pathway that runs through the middle of the village. This pathway is built on the common sewerage system which is connected to waste water drain from all the 83 households in the community. The drainage leads to a septic tank at the end of the village. This has greatly improved the health, sanitation, safety and aesthetics of the community.



Figure 8. Footpath on drainage system in Drinchengang



Figure 9. Courtyard at Drinchengang

We also have a courtyard now Infront of the temple which was built using locally available materials. This courtyard is a place where the community can gather for any purpose including for local festivals. This also enhanced the beauty of our temple with better access and many people can gather here. Visitors also find it easier to visit the temple with the pathway and the courtyard where they can sit and relax after climbing up the stairs.

We are very grateful to the EU for this support and we look forward to some more support. We urgently

need to build a short access road to the septic tank so that it can be emptied using tankers. At the moment, there is no access road and we have not been able to empty it once also. I don't know what will happen if it overflows, I am worried"

b. Irrigation Channel, Damji Chiwog, Khamaed Gewog

Damji is the largest Chiwog in Khamaed Gewog with 57 households and 77 acres of wetland. The main economic activity of the people is paddy cultivation and growing vegetables. EU supported the construction of 3kms irrigation channel, maintenance and proper connection of the channel to the water source.

Prior to the construction to the irrigation channel, the community had a drain which was damaged over the years. There was a lot of water seepage and during summers, it used to flood a lot washing away paddy fields and livestock, and causing landslides too.



Figure 10. Irrigation channel at Damji



Figure 11. Aum Kakam and Kencho Om, working in the paddy field

"The rainy season was very stressful. We had to wait for water with the paddy saplings on hand. There was never enough water during the paddy plantation season", claimed Aum Kakam, 80-year-old beneficiary of the irrigation channel in Damji.

"We could only work in a field or two in a day due to water shortage. One person had to be constantly clearing away the drains to ensure that there was water during the paddy plantation. Even then we never had enough water. Once, there was heavy rain in the night and it had washed away my cattle shed. Luckily, I had kept the cattle at some other place that night. Now there is no problem

with water, we can work anytime in the fields. We are very grateful for the support to build the irrigation channel" – Kencho Om, beneficiary from Sanakha Village.



Figure 13. Connecting the irrigation channel to the water source

The source of the water was quite far and the work to connect the irrigation channel to the water source was considered difficult for local communities or private contractors. So the work was carried out as a part of the Water Flagship Program by the DeSuups. The work was completed within six months, ensuring that the community has



Figure 12: Sanakha village, Damji

continuous flow of water in the irrigation channel whenever they want. When the irrigation channel is not in use, the water is diverted to a nearby stream. Now the community is able to plant their paddy anytime they are ready without any worry of water shortage like other parts of the country. They have enough water and can sleep peacefully during the rainy season because there has never been any floods or landslides after the irrigation channels were built.

c. Electric Fencing:

People in Bjena Gewog, Wangdue Phodrang depend on rice, potatoes and vegetables. It is only 15 kms away from Wangdue Dzongkhag and they could easily sell their produce in the Wangdue market. However, they had major crop depredation issues due to wildlife.

EU had supported electric fencing of the fields in Bjena Gewog. Prior to the electric fencing, the local materials used for fencing such as wooden poles and barbed wires were not good enough to keep the wild animals away. They could be broken into easily by the wild animals and crops would be destroyed many times by the wild animals in the locality. People would be so disheartened and would not do a lot of vegetable farming. After the electric fencing, people can grow a lot of different varieties of seasonal crops improving their livelihoods.

"It is very useful. After the electric fencing, only a few monkeys and deer are able to jump over the fence. The crops are well protected now which has enhanced the livelihoods of the communities", shares Sonam Chojey, Bjena GAO.



Figure 14: Sonam Chojey, Bjena

