

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: SOUTH ASIA
COUNTRY: BHUTAN

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: South Asia
Country: Bhutan

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Bhutan

Project Name (ID): Second Education (P009574)

Country: Bhutan

Board Approval Date: 03/03/1998

Midterm Review Date: 11/04/2001

Closing Date: 09/30/2005

Loan/Credit/Grant Number: IDA-30440, JPN-25471, JPN-29643

Sector(s): Primary education (76%), Central government administration (8%), Tertiary education (8%), Sub-national government administration (7%), Vocational training (1%)

Theme(s): Education for all (P), Rural services and infrastructure (P), Social risk mitigation (P), Decentralization (S)

Project Development Objectives:

The objectives are to: (a) increase the number of graduates from basic education and provide sufficient entrants to existing training programs to fill labor demands; (b) raise levels of learning in basic education through improved teacher training and teaching-learning activities; and (c) strengthen management quality in the education sector in the context of the government's ongoing decentralization program.

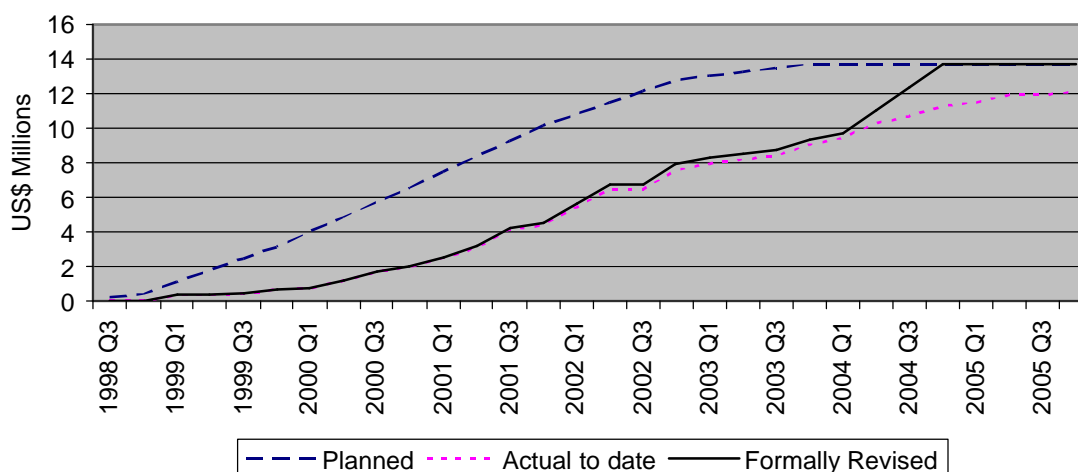
Progress toward achieving development objective(s):

The project is scheduled to close in September 2005 and achievement of the development objectives is expected. All activities have been completed with the exception of minor landscaping works at the last schools for which construction is now being finalized. Most teaching-learning inputs have been picked up under the follow-on 'Education Development Project'.

A third extension was granted in order to complete final construction activities following serious monsoon flooding last summer.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-30440	Effective	14.74	12.09	1.61	0.00
JPN-25471	Closed	0.27	0.27	0.00	0.00
JPN-29643	Closed	0.45	0.43	0.00	0.02



Project Name (ID): Urban Development (P057570)

Country: Bhutan

Board Approval Date: 12/21/1999

Midterm Review Date: 03/15/2003

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-33100, JPN-25674

Sector(s): General water, sanitation and flood protection (57%), Roads and highways (14%), Other social services (14%), Sub-national government administration (11%), Central government administration (4%)

Theme(s): Municipal governance and institution building (P), Pollution management and environmental health (P), Other urban development (P), Environmental policies and institutions (P), Decentralization (S)

Project Development Objectives:

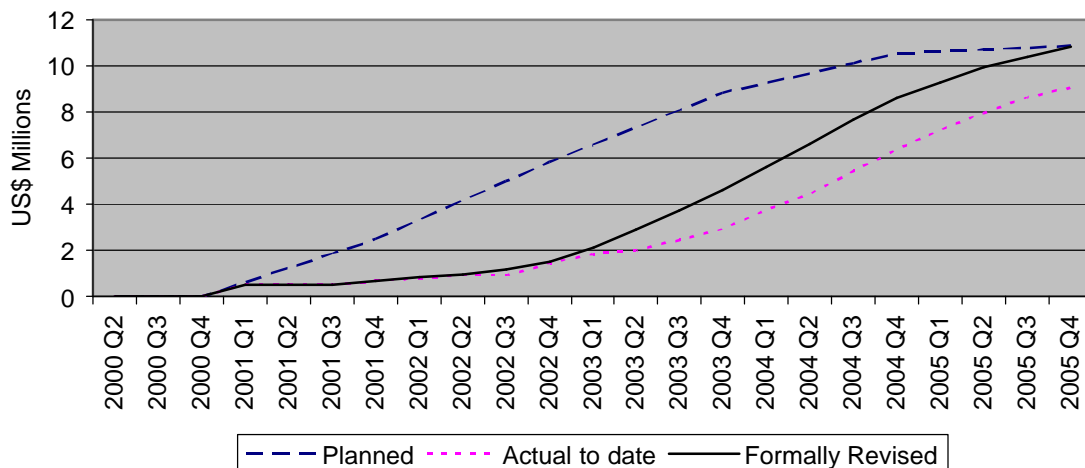
The objective is to improve the quality of life through the enhancement of the level and coverage of basic urban services in selected secondary towns.

Progress toward achieving development objective(s):

The project is nearing completion, and is likely to achieve the Project Development Objective. Construction of water treatment plants in ten district towns is mostly completed, and other urban infrastructure components are either completed or about to be completed. Good efforts have also been made over the last few years to put in place proper systems for operations and maintenance (O&M) for the assets being created under the project. Such efforts include: (1) preparation of operational manual/cost recovery manual; (2) training of district level officials on these manuals; (3) government's decision to recruit additional staff in charge of O&M at the district level; and (4) initiatives to introduce user charges for municipal services.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33100	Effective	11.53	9.02	2.24	0.00
JPN-25674	Closed	0.25	0.25	0.00	0.00



Project Name (ID): Rural Access (P059481)

Country: Bhutan

Board Approval Date: 12/21/1999

Midterm Review Date: 06/17/2003

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IDA-33090, JPN-25788

Sector(s): Roads and highways (88%), Central government administration (12%)

Theme(s): Rural services and infrastructure (P), Participation and civic engagement (S), Rural policies and institutions (S)

Project Development Objectives:

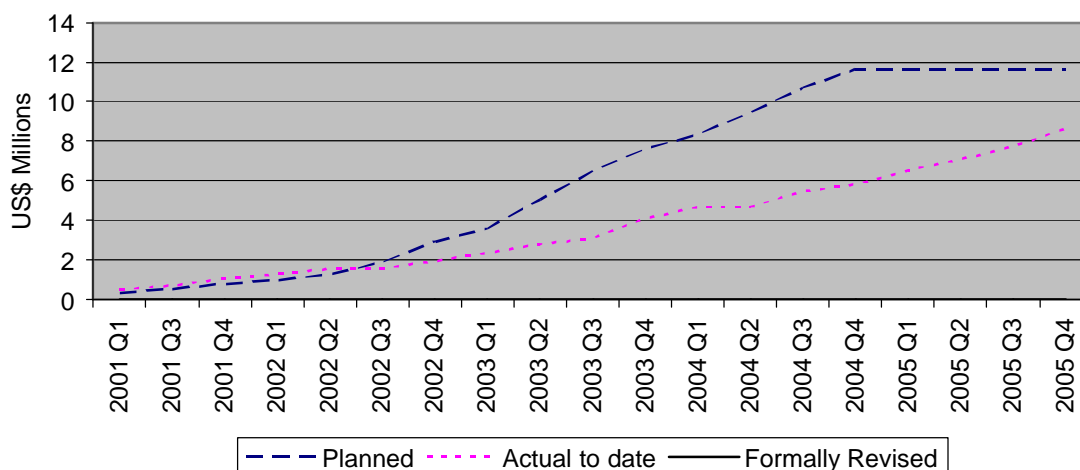
The main objective of the project is to improve the access of rural communities to markets, schools, health centers and other economic and social infrastructure, in order to improve quality of life and productivity of project beneficiaries.

Progress toward achieving development objective(s):

The project is well on track to achieving its development objective. One example of progress is that of 129 km of feeder roads originally planned for construction, 107 km have been completed, with the remaining expected to be completed within the project period. The second-round impact assessment report completed in February 2005 shows that the project is generating significant economic and social benefits. A few examples are: of the 3400 households targeted to be connected with motorable roads, about 2640 have been already connected to one. Beneficiaries have switched from portaging and animal transport to motorized transport and this has also resulted in significant reduction in travel time and transportation costs with some roads reporting reductions in time from two days to two hours and transport cost on key commodities reduced by up to 40-60%. There has also been diversification of agriculture products as well as improved access to better health care, especially in the use of emergency vehicles (ambulances) and evacuation of sick people to better healthcare facility.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-33090	Effective	12.40	8.67	3.36	0.00
JPN-25788	Closed	0.20	0.16	0.00	0.04



Project Name (ID): Education Development (P074114)

Country: Bhutan

Board Approval Date: 08/21/2003

Closing Date: 12/31/2009

Loan/Credit/Grant Number: IDA-38200, JPN-26873

Sector(s): Secondary education (60%), Primary education (20%), Central government administration (15%), Tertiary education (4%), Other industry (1%)

Theme(s): Education for all (P), Education for the knowledge economy (P), Rural services and infrastructure (S)

Project Development Objectives:

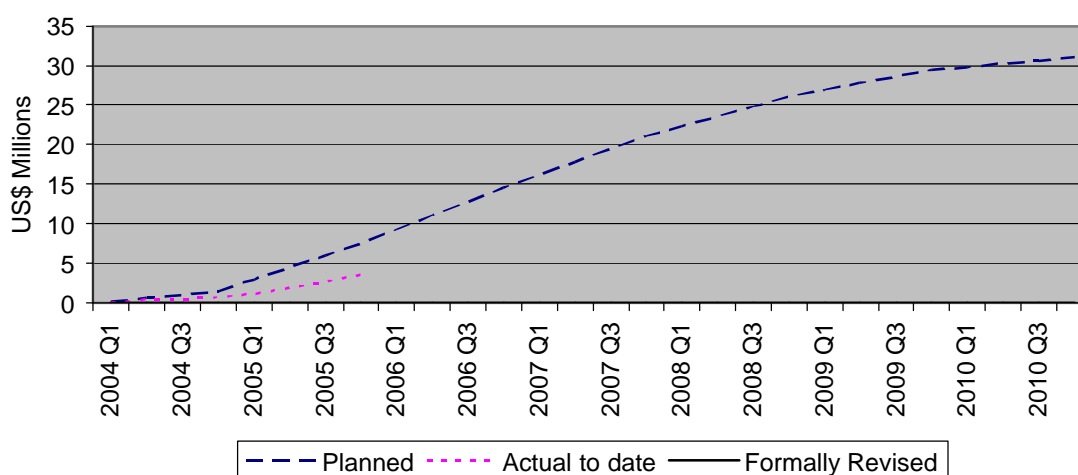
Support Bhutan's five-year education development program to expand access to primary and secondary education, and improve educational quality at all levels.

Progress toward achieving development objective(s):

The project has made good progress with the start of the first five schools to be built using new light-gauge steel frame technology. Revision of the mathematics curriculum from kindergarten to grade 12 is underway. Other inputs to support improved education quality are underway and progressing according to plan. The tracer study has been put temporarily on hold pending the outcome of a similar exercise being carried out by the Youth Development Fund. Effective TA inputs were provided in FY05 for reform of the school textbook supply and distribution system. The project benefits from a strong level of commitment by the Ministry of Education.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38200	Effective	32.10	3.54	28.63	0.00
JPN-26873	Closed	0.39	0.38	0.00	0.01



Project Name (ID): HIV/AIDS and STI Prevention and Control (P083169)

Country: Bhutan

Board Approval Date: 06/17/2004

Closing Date: 12/31/2009

Loan/Credit/Grant Number: IDA-H1030

Sector(s): Health (45%), Central government administration (40%), Other social services (15%)

Theme(s): HIV/AIDS (P), Other communicable diseases (P), Population and reproductive health (S), Health system performance (S)

Project Development Objectives:

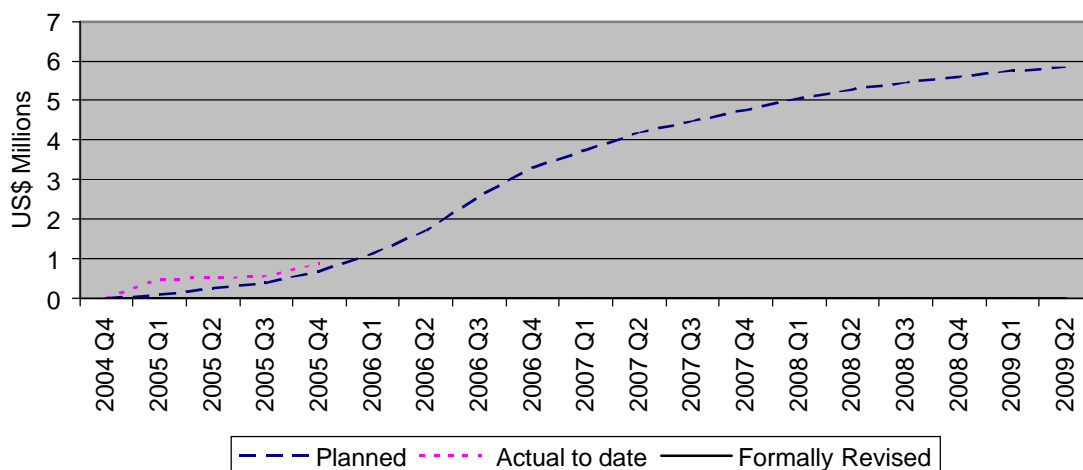
The development objective is to reduce the risk of HIV and Sexually Transmitted Infections in the general population, in particular among groups with high risk sexual behavior.

Progress toward achieving development objective(s):

Since project effectiveness in August 2004, implementation progress has been on track. Several key results that are critical for the achievement of the Project Development Objective have been realized. Bhutan has demonstrated the highest level of political commitment and support, which is critical for reducing stigma associated with HIV and implementing effective prevention programs. The National HIV/AIDS Commission has undertaken key policy decisions, including adoption of condom social marketing, the preparation of the national strategic framework for multisectoral involvement, introduction of Antiretroviral therapy, and prevention of HIV/AIDS transmission through sex work. Efforts to increase condom accessibility and use are underway--condom social marketing plan has been developed and behavioral change communications strategy has been prepared. All twenty districts and ten line ministries, including the armed forces, have initiated HIV prevention programs for their constituencies and beneficiaries.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H1030	Effective	5.84	0.88	4.96	0.00



Project Name (ID): Decentralized Rural Development (P087150)

Country: Bhutan

Board Approval Date: 03/01/2005

Closing Date: 09/30/2009

Loan/Credit/Grant Number: IDA-40400

Sector(s): Roads & highways (64%), Irrigation and drainage (18%), Agricultural extension and research (12%), Sub-national government administration (6%)

Theme(s): Rural services and infrastructure (P), Decentralization (S), Other rural development (S), Water resources management (S)

Project Development Objectives:

To improve market access and increase agricultural output for rural communities in selected areas of Bhutan.

Progress toward achieving development objective(s):

The project became effective in the later part of the reporting period and it is still in too early a stage for meaningful progress.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40400	Effective	6.71	0.50	6.23	0.00

