

Bhutan gets \$20 million financing package for water management

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The Asian Development Bank (ADB) has approved a \$20 million financing package to improve access to drinking water, irrigation services, and strengthening of climate resilience in Thimphu and the districts of Zhemgang and Wangdue Phodrang in Bhutan.

The Water Flagship Program Support Project will build gravity-fed integrated drinking water supply and irrigation systems in the Hetshosamchu area of Wangdue Phodrang district and Zhemgang town and surrounding villages, which collect surface water from upstream sources. This will include the rehabilitation of irrigation networks and drinking water treatment facilities. A new drinking water supply system, including a new water treatment plant, will be established to provide a safe and continuous water supply to benefit more than 1,300 households in the Thimphu-Pamtsho area.

The water systems to be established will integrate climate-smart digital water management to provide real-time monitoring for early warning in case of emergencies such as floods. To ensure efficient operations of these systems, water service delivery and management capacities will be strengthened at the Ministry of Works and Human Settlement, Ministry of Agriculture and Forests, and municipal units and districts.

The project will support the creation of water users' associations in Zhemgang and Hetshosamchu; train and build community awareness in water resources conservation and management, sanitation and hygiene; and improve farmers' livelihoods and resilience brought about by climate change.

The financing package comprises a \$14 million concessional loan and a \$6 million grant from the Asian Development Fund, which provides grants to ADB's poorest and most vulnerable developing member countries.

“ADB supports the Government of Bhutan’s Water Flagship Program and the National Integrated Water Resources Management Plan to improve climate change resilience and water sector performance,” said Luca di Mario ADB Urban Development Specialist for South Asia. “This project will strengthen the capacity of local communities in managing water resources and will boost farmers’ productivity.”

An additional \$2 million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific, financed by the Government of Japan, will support training and livelihood improvement activities, focusing on women and disadvantaged persons.