



## Earthquake Housing Reconstruction Project (P155969)

SOUTH ASIA | Nepal | Social, Urban, Rural and Resilience Global Practice Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 7 | ARCHIVED on 19-Dec-2018 | ISR34425 |

Implementing Agencies: Ministry of Urban Development, Ministry of Finance, National Reconstruction Authority, Ministry of Federal Affairs and General Administration

### Key Dates

#### Key Project Dates

Bank Approval Date: 29-Jun-2015	Effectiveness Date: 28-Jan-2016
Planned Mid Term Review Date: 31-Aug-2018	Actual Mid-Term Review Date: 10-Aug-2018
Original Closing Date: 31-Jul-2020	Revised Closing Date: 30-Jun-2023

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to restore affected houses with multi-hazard resistant core housing units in target areas and to enhance the government's ability to improve long-term disaster resilience.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Housing Reconstruction:(Cost \$472.50 M)  
Disaster Risk Management Systems:(Cost \$15.00 M)  
Project Implementation Support:(Cost \$12.50 M)  
Contingency Emergency Response

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

### Implementation Status and Key Decisions

A Mid-Term Review was undertaken July 30 – August 10, 2018, in addition to monthly supervision missions. Findings are as follows:  
Component 1 – Housing Reconstruction: Significant progress has been achieved under the Project with accelerated disbursement of second and third tranches of the housing grants and a satisfactory rate of compliance to safer reconstruction requirements. As of October 15, 2018, out of 634,495 beneficiaries enrolled into the GoN's umbrella housing reconstruction program, 98% have received the first tranche, 73% have received the second tranche and 44% have received the third tranche of the housing grant. The rate of grant disbursement is better in the districts of Dhading, Dolakha and Nuwakot covered under the original Project with 99%, 87% and 56% of the enrolled beneficiaries that have received first, second and third tranche respectively. While the inspection regime has gained momentum, the processing time between successful inspection and tranche



disbursement needs improvement. This lag is particularly higher for third tranche payment where 38,967 beneficiaries out of 318,351 approved beneficiaries have yet to receive the third tranche.

**Component 2 - Disaster Risk Management Systems:** It has been agreed to undertake a large-scale structural integrity and vulnerability assessment of social infrastructure under Component-2 Disaster Risk Management Systems. This will essentially be a scale-up a World Bank-executed Trust Funded activity, Structural Integrity and Damage Assessment (SIDA), where a large number of schools were assessed after the 2015 earthquake to plan resilient recovery in education sector. The SIDA has been well-received and its findings have helped planning safer reconstruction and retrofitting of schools by the government as well as development partners. . The NRA will implement this scaled-up activity across the country, excluding the schools and health posts which are already covered by other development projects. The Project will share the findings of the assessment through a web-based platform and other means to assist all the tiers of Government of Nepal and other stakeholders in informed decision making. This nationwide assessment will contribute to enhancing Government's ability to improve long term disaster resilience of social infrastructure. The Project will integrate the new federal governance structure into the reconstruction process as well as explore linkages for livelihoods and entrepreneurship for the sectors identified in the 2017 study on entrepreneurship and business development in earthquake affected areas.

**PMU and staffing:** The NRA has established a fully dedicated PMU that provides focused attention to achieving EHRP's desired results and ensure smooth project implementation, facilitation and coordination of the project activities. The Project Director has been delegated authority to make fiduciary decisions.

Although the reconstruction of private housing has picked up the pace, there are still many beneficiaries who have not yet started the reconstruction. One of the major reasons has been noted to be lack of enough technical field staff to provide technical assistance and social mobilizers to facilitate community mobilization and information dissemination.

**Procurement:** Some encouraging improvements are noted in procurement management. Establishment of the dedicated PMU with procurement decision authority is an important step towards centralized procurement. It will substantially enhance the procurement management and contribute to expediting the procurement process.

**Financial Management:** In FY18, the total expenditures under IDA and MDTF are about NPR 17.27 billion (87% of the approved budget) and NPR 0.77 billion (74% of the approved budget), respectively. For FY19, the counterpart funding is adequate. Improvement in the budget of FY19 in terms of classification, transparency and comprehensiveness as against previous years is noted. Reconciliation and data updating need urgent attention for improvement. In order to prevent duplicate grant payments by NGOs, the NRA regularly collects data on NGO supported beneficiaries which is found to be fragmented because of lack of coordination among entities collecting the data. There are no outstanding trimester reports and audit reports.

**Safeguards:** Safeguard assessments carried out in the three original districts revealed limited environmental and social impacts due to project activities. Highly sensitive environmental and social issues were not observed. In a few exceptional cases community relocation may be needed but this will be handed by the government with own resources.

**Gender Equality and Social Inclusion (GESI):** The NRA has developed good GESI guidelines. The NRA has identified vulnerable communities from within the initial eligible beneficiaries that require additional support. By and large, the Project is now stated to focus more on addressing issues experienced by women and the excluded groups, with GESI friendly livelihood activities, mandated by the NRA GESI Livelihood Strategic Vision.

**Grievance Redress Mechanisms:** The NRA has established a multi-tier GRM that registers grievances at three levels: ward, municipality and central. The ward and municipality levels are authorized to resolve most of the issues within local jurisdiction. At the central level, a team led by an executive committee member reviews the exclusion related grievances. Based on the GRM reports, the Cabinet announced a decision to re-survey and re-verify the data. The survey was carried out in coordination with the Central Bureau of Statistics (CBS). The NRA has reviewed 205,580 grievances so far. The review process has recognized 40,967 applicant households as eligible beneficiaries.

**Monitoring and Evaluation (M&E):** Considerable effort has been made to improve the M&E system. The process for hiring an M&E firm has been initiated. However, significant capacity gaps regarding M&E within the implementing agencies remain. The NRA, the apex implementing agency, is yet to establish a proper M&E function, which is currently being handled by two M&E consultants. CLPIU Building, which is monitoring the technical and operational aspects of housing reconstruction, has one M&E expert to cover two districts. The quality of M&E reporting is adversely affected by data inconsistencies and shortcomings, lack of a comprehensive M&E framework/reporting format, as well as lack of coordination among the agencies. Although many banks have started to report regularly on the payments made using the EHRP Management Information System (MIS), there are still cases of inaccurate and delayed reporting by the banks.

**Inspection:** During the MTR, the "Technical Inspection Guidelines for Housing Reconstruction, 2073 (TIGHR-2073)" were reviewed. The guidelines need to be simplified and certain construction types/practices need to be included. Keeping in view the findings of the monitoring reports by Third Party Monitoring Agent and observations in the field by the World Bank team, the cases of non-compliance are increasing after the release of 3rd tranche i.e. at roof band level. Though the TIGHR-2073 defines the maximum timeframe for review and approval by various actors, monitoring of adherence was found to be missing. The NRA needs to put in place an appropriate system for this to ensure improved compliance, program efficiency and effectiveness.

**Digitization:** The Project mandates complete digitization and uploading of all the records such as PAs, inspection forms, bank transactions, and output/completion verification to ensure accountability and efficiency. The digitization of (PAs) and inspection forms remains a point of concern as the progress on the same was found to be unsatisfactory. Though NRA managed to digitize 93% of PAs by March 2018, the coverage of digitization dropped to 77% due to the addition of new PAs signed with the households whose cases were under review for grievances. With regards to inspection digitization, approximately 70.95% of the inspection forms have been digitized. Post provision of tablets to field engineers, the pace of digitization was observed to have slightly improved; however, the backlog of inspection data digitization remains a major concern. A plan for transferring the Project's digital records to local governments upon completion for future audits and follow-ups need to be developed.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Low	● Low	● Low
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial
Fiduciary	● High	● High	● High
Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● Substantial	● Substantial	● Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Restore affected houses with multi-hazard resistant core housing units in targeted areas				
▶Households with resilient core housing reconstructed under the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	53,568.00	60,400.00	151,000.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	30-Jun-2023
▲Out of which women headed households (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13,928.00	15,704.00	39,260.00
▶Citizens made aware of earthquake resilient reconstruction (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	53,568.00	60,400.00	151,000.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	30-Jun-2023



Enhance the Government's Ability to improve long-term disaster resilience.				
▶ Government Officials trained in Disaster Risk Management (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	29.00	200.00
Date	31-May-2015	--	06-Dec-2018	31-Jul-2020

### Intermediate Results Indicators by Components

Housing Reconstruction				
▶ Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	230,342.00	259,720.00	649,300.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	31-Jul-2020
▲ Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	50.00	50.00	50.00
▶ Intended beneficiaries aware of project info. and project investments (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	97.39	40.00	100.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	31-Jul-2020
Comments:	40% of beneficiaries, who have already received third tranche of housing grant are assumed to be fully aware of project information and investments. With additional 96,000 beneficiaries to be covered under Additional Financing, the percentage is lesser than previous ISR.			
▲ Intended beneficiaries aware of project info. and project investments - female (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13,928.00	15,704.00	39,260.00
▶ Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	92.61	87.97	95.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	31-Jul-2020

▲Grievances related to delivery of project benefits that are addressed-(number) (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49,051.00	181,845.00	100,000.00
▶Artisans trained in multi-hazard resistant construction (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	64,698.00	9,319.00	75,000.00
Date	31-Jul-2015	31-May-2018	06-Dec-2018	31-Jul-2020
Comments:	The number previously used included consolidated number of artisans trained by different entities including I/NGOs and IDA. The current number reflects artisans trained through IDA financing.			

Disaster Risk Management Systems				
▶Technical studies on disaster risk management completed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	22-Oct-2018	31-May-2018	06-Dec-2018	31-Jul-2020

## Data on Financial Performance

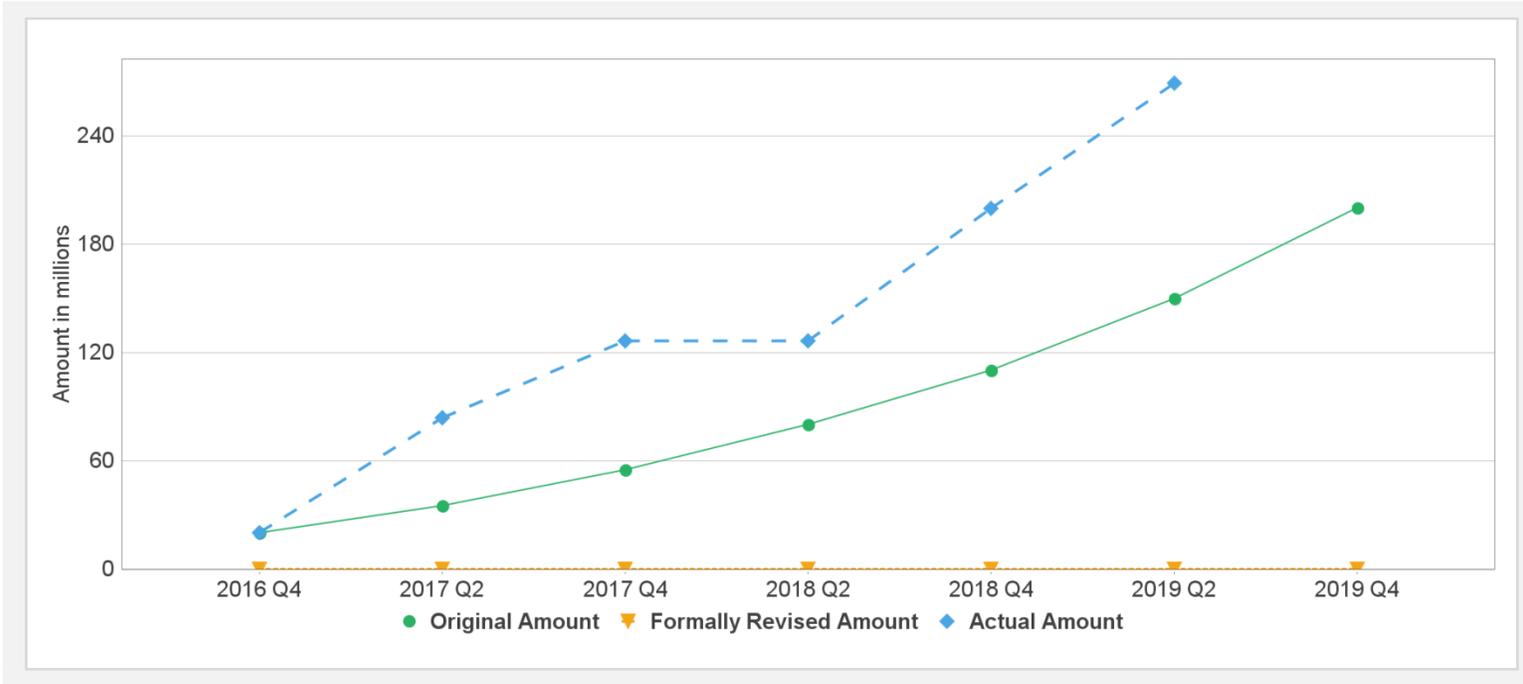
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P155969	IDA-57060	Effective	USD	200.00	200.00	0.00	199.70	2.46	99%
P155969	IDA-61640	Effective	USD	300.00	300.00	0.00	69.44	230.17	23%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P155969	IDA-57060	Effective	29-Jun-2015	14-Aug-2015	28-Jan-2016	31-Jul-2020	31-Jul-2020
P155969	IDA-61640	Effective	15-Dec-2017	21-Jan-2018	26-Feb-2018	30-Jun-2023	30-Jun-2023

### Cumulative Disbursements



## Restructuring History

Level 2 Approved on 24-Mar-2016

## Related Project(s)

P161780-Nepal: AF Earthquake Housing Reconstruction Project ,P161889-Earthquake Housing Reconstruction AF ,P163178-AF Earthquake Housing Reconstruction ,P163593-NP: Additional Financing Earthquake Housing Reconstruction