I. Project Context

Country Context
India is highly vulnerable to a range of natural hazards, particularly earthquakes, flood, drought, cyclone and landslides. Close to 60% of India’s land mass is prone to earthquakes of varying magnitude; over 60% of the area is drought prone; and 12% is susceptible to floods and landslides. With a coastline of 7,516km, of which 5,700km is prone to cyclones of various degrees of intensity, approximately 40% of the total population living within 100km of the coastline can be potentially affected. As climate change, storm surges and the resultant sea level rise become more pronounced, hazard events are set to grow in frequency and intensity.

The Government of India (GoI) has made great strides in moving from a reactive emergency response to being proactive and implementing disaster preparedness and risk reduction initiatives. India enacted the Disaster Management Act in 2005 and established the National Disaster Management Authority (NDMA) and State Disaster Management Authorities (SDMAs). NDMA has proactively formulated guidelines and procedures for dealing with specific natural disasters and is mandated to frame policies, plans and guidelines for Disaster Management.
For more than a decade, the World Bank has been assisting GoI in effectively responding to disasters. This partnership between GoI and the Bank and their joint learning experience of disaster recovery and reconstruction are leading to an increased focus towards future-oriented risk-mitigation programs and strategies that will ultimately benefit millions of people vulnerable to natural disaster risks at the national, state and district -- including village -- level in India.

A. Situations in Urgent Need of Assistance

On October 12, 2013 Cyclone Phailin hit the eastern state of Odisha with wind gusts up to 220 kilometer per hour, heavy rains measuring up to 25 centimeters and storm surge over 3 meters; the sea pushed in as much as 40 meters along parts of the coast. It was the strongest cyclone to hit the Indian coast in 14 years: A category 4 cyclone (Katrina in comparison, was category 3 upon landfall) similar to the Super Cyclone 05B of 1999 that hit Odisha and killed more than 10,000, destroyed 275,000 homes and left 1.67 million homeless. Cyclone Phailin hit a densely populated area in coastal Odisha, with 4.5 million people within the hurricane force wind path with significant proportion of informal housing.

The death toll, according to reports was 44, which was 0.4 percent that of the 1999 cyclone. Two World Bank projects -- the ongoing National Cyclone Risk Mitigation Project (NCRMP-I) and the Odisha Cyclone Reconstruction Project that closed in 2004 -- contributed to this enhanced resilience. The state governments of Odisha and Andhra Pradesh (the target states of NCRMP-I which were also most affected by Cyclone Phailin), in collaboration with the National Disaster Management Authority (NDMA) evacuated over 1 million people from low-lying coastal areas in what has become the largest such operation in India’s history. State authorities set up over 1,200 relief camps and stocked over 500 cyclone shelters with adequate food, water and supplies. Over 2,300 officers from the National Disaster Response Force and 600 personnel from the Indian Army fanned out to provide relief and assess the damage across 14,500 affected villages.

Despite limited loss of life, the impact on the lives of coastal residents is still massive. In the Ganjam District of Odisha alone, about 90,000 houses on the coast were partially or fully damaged, with many of them being mud/thatched houses belonging to poor fishermen and farmers. Crops in over 780,000 hectares of agricultural land have reportedly been damaged. Power and communication lines were also severely affected across Odisha. Following a request from the Government of India, the World Bank and the Asian Development Bank conducted a joint rapid damage and needs assessment in Odisha. On January 08, 2014, the Government of India sent a request for assistance to the World Bank which prompted the proposed emergency recovery project.

Sectoral and institutional Context

The State of Odisha is vulnerable to multiple natural hazards. Due to its sub-tropical littoral location, the state is prone to various hydro-meteorological hazards such as tropical cyclones, storm surges and tsunamis. Although the coastline of Odisha is only about 17% (480 km long) of the Indian east coast, it has been affected by nearly 35% of all cyclonic and severe cyclonic storms that have crossed the east coast and associated storm surges that have often inundated large tracts of coastal districts. In addition, while large parts of the state are under Earthquake Risk Zone-II (Low Damage Risk Zone), the Brahmani Mahanadi graben and their deltaic areas come under Earthquake Risk Zone-III (Moderate Damage Risk Zone) and this covers 43 out of the 103 Urban Local Bodies in the state. Furthermore, the state is also vulnerable to flash floods and landslides.
Under the Disaster Management Act, the State of Odisha has constituted the Odisha State Management Authority (OSDMA). Along with the OSDMA, the Revenue & Disaster Management Department, and the Office of the Special Relief Commissioner are the major institutions in the State that are responsible with all the phases of disaster management. The OSDMA has made long strides towards improving disaster preparedness and response standards of the state since 1999 through construction of disaster resistant infrastructure, trained community based organizations like Cyclone Shelter Management and Maintenance Committee (CSMMCs) and strengthened state and district emergency operation centers. Apart from preparedness, OSDMA has initiated number of efforts and response mechanism to meet both natural and manmade disasters.

Higher Level Objectives to which the Project Contributes

The proposed Project is aligned to the Bank’s Country Partnership Strategy (CPS FY13-17, Report No. 76176-IN) to enhance disaster risk management systems. The Project is solidly anchored within the “Strategic Engagement Area 3: Inclusion” of the India CPS, which states that the World Bank’s investments in this area will: “(i) help build institutional capacity to prepare for and manage the impact of natural disasters and (ii) help people protect themselves from natural disasters and recover quickly from them.”

II. Proposed Development Objectives

To restore and improve housing and public services in targeted communities of Odisha, and increase the capacity of the State entities to respond promptly and effectively to an eligible crisis of emergency.

III. Project Description

Component Name
Component 1: Resilient Housing Reconstruction and Community Infrastructure
Comments (optional)

Component Name
Component 2: Urban Infrastructure in Berhampur
Comments (optional)

Component Name
Component 3: Capacity Building in Disaster Risk Management
Comments (optional)

Component Name
Implementation Support
Comments (optional)

Component Name
Contingent Emergency Response
IV. Financing (in USD Million)

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost:</td>
<td>218.60</td>
</tr>
<tr>
<td>Total Bank Financing:</td>
<td>153.00</td>
</tr>
<tr>
<td>Financing Gap:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For Loans/Credits/Others</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>65.60</td>
</tr>
<tr>
<td>IDA reallocated as a credit</td>
<td>153.00</td>
</tr>
<tr>
<td>Total</td>
<td>218.60</td>
</tr>
</tbody>
</table>

V. Implementation

A. Institutional and Implementation Arrangements

The Project will have two Project Management Units (PMUs). For Component 1 the PMU will be the OSDMA, and the Managing Director of the OSDMA will be the Project Director, and will be supported by a Project Implementation Unit (PIU) within the same institution. Additionally, four District Implementation Units (DIUs) will be set up in the target districts (two in Ganjam and one each in Puri and Khordha). For implementation of Owner Driven Construction of Houses (ODCH) an agency with appropriate social and technical expertise will be contracted to support implementation in the field. District Administrators will have specific roles during implementation including the identification of beneficiaries and supervision of activities.

For Component 2 the PMU will be Odisha’s Department of Housing and Urban Development (H&UD), with a PIU in the Berhampur Municipal Corporation (BeMC).

B. Results Monitoring and Evaluation

The multi-tier implementation arrangements under the Project include supervision and monitoring roles and responsibilities of the various players involved in the implementation. Supervision will generally entail routine quality certification at various stages of construction, forming the basis of payment certification and other works. Monitoring will occur as a periodic function, and will include process reviews/audits, reporting of outputs, and maintaining progressive records. Broad thematic areas that will be supervised and monitored include the following: (i) Social and Environmental Monitoring, (ii) Regular Quality Supervision & Certification, (iii) Periodic Physical Progress Monitoring & Third Party Quality Audit, and (iv) Monitoring and Evaluation. The borrower will carry out a household survey in the selected villages/slums to record baseline data in line with indicators set out for results monitoring.

C. Sustainability

The sustainability of the proposed Project is assured through: i) selection of investments based on a detailed assessment of real demand, ii) institutionalizing the capacity for the necessary maintenance within the GoO’s government structure, independently of the Project; and iii) participation of beneficiaries throughout the decision making process to promote ownership, and iv) promoting
community participation at the stage of planning and implementation.

The GoO has demonstrated commitment in improving the state’s capacity to manage risks throughout the implementation of other Projects such as the NCRMP-I, their response to the recent cyclone, and their continuous investments to increase resiliency.

Additional specific mechanisms under the Project to support sustainability are: i) a communications strategy and grievance redress mechanism, ii) multi-hazard insurance of houses built, iii) improved design standards for infrastructure, iv) the adaptation of investments for the minimum disruption of livelihood activities, and their enhancement when feasible for the vulnerable and marginalized groups in the project area.

VI. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>☒</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>☒</td>
<td></td>
</tr>
<tr>
<td>Forests OP/BP 4.09</td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>☒</td>
<td></td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>☒</td>
<td></td>
</tr>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td></td>
<td>☒</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>☒</td>
<td></td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td></td>
<td>☒</td>
</tr>
</tbody>
</table>

Comments (optional)

VII. Contact point

World Bank
Contact: Deepak Singh
Title: Senior Disaster Risk Management Specialist
Tel: 5785+47663
Email: dsingh2@worldbank.org

Borrower/Client/Recipient
Name: Department Economic Affairs
Contact: Ms. Aparna Bhatia
Title: Director
Tel: 91-11-23094443
Email: aparnabhatia2002@gmail.com

Implementing Agencies
Name: Government of Odisha
Contact: Dr. Taradatt
Title: Managing Director, OSDMA
Tel: 91-0674-2395398
Email: mdosdma@osdma.org

VIII. For more information contact:
The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: http://www.worldbank.org/infoshop