



Low Income Community Housing Support Project (P130710)

SOUTH ASIA | Bangladesh | Social, Urban, Rural and Resilience Global Practice Global Practice | IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 7 | ARCHIVED on 12-May-2019 | ISR36685 |

Implementing Agencies: Palli Karma-Sahayak Foundation, Government of Bangladesh, National Housing Authority

Key Dates

Key Project Dates

Bank Approval Date: 05-Apr-2016

Effectiveness Date: 20-Oct-2016

Planned Mid Term Review Date: 31-Mar-2020

Actual Mid-Term Review Date: 01-Apr-2019

Original Closing Date: 31-Dec-2021

Revised Closing Date: 31-Dec-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to improve shelter and living conditions in selected low income and informal settlements in designated municipalities in Bangladesh

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

No

Components

Name

Community Mobilization & Planning:(Cost \$11.50 M)
Urban Community Improvements & Upgrading:(Cost \$22.00 M)
Shelter Component and Lending:(Cost \$18.00 M)
Monitoring & Evaluation:(Cost \$1.00 M)
Project Management, Training & Capacity Building:(Cost \$4.00 M)

Overall Ratings

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

Implementation Status and Key Decisions

Mid-Term Review Process & Findings. The Mid Term Review of the project has just been completed through two missions, the first one carried out from February 12 -26, and the second one from April 1 - 16. The MTR process has involved both a thorough review of project progress by the Bank team, and has also been informed by an independent MTR Report produced by two international consultants contracted by GoB. The overall MTR assessment is that the project objectives remain very relevant, and the design is unique because of its community driven approach. Project



implementation has been uneven. PKSF is on track against all the indicators in the Results Framework (end of Year-2 targets), while NHA project implementation has been slow.

Progress with PKSF component: After the completion of the pilot phase, PKSF and its POs have started rolling out of their flagship housing loan product for low-income groups. This seems to be working in a context where previous attempts by NGOs and Banks have not succeeded. PKSF has disbursed a total of BDT 301 million (USD 3.6 million) to five POs, who in turn have disbursed a total of BDT 252 million (USD 3 million) to 885 households. The total loan sanctioned for these borrowers is BDT 266 million (US\$ 3.15 million) with an average loan size of BDT 0.3 million (US\$ 3600). Households are using the loans for new construction (47%), repairs (27%), and extensions (26%). The percentage of loans disbursed to low-income households stands at 28%. Thus far, repayment rates for the housing loans have been 100%.

Progress with NHA Components: Despite NHA project activities picking up in recent months, the NHA components are facing serious implementation delays and challenges. As summarized in the MTR report executive summary: “The NHA has so far only mobilized and prepared settlement plans for the six communities in Sirajganj (out of a Project target of 19), and although preparations for upgrading sub-projects have been completed in 5 settlements, to date upgrading works have only begun in one of these. Only in February 2019 were preparations begun for the Project to operate in a second town (Cumilla).” The activities in Sirajganj have begun to pick up pace since last October, after many months of delays in mobilizing a full team with the appropriate skills. Now that a full team of consultants is in place, including, crucially, the team leader, it is hoped that the work can be speeded up even further in the coming months.

Implementation Challenges: The challenges of implementing a community driven approach to housing improvements for informal, low-income settlements were underestimated, particularly the problems in addressing land tenure issues. The project design was ambitious and did not account for such complexities. The institutional and capacity constraints of the NHA and its consultants (IMC International) mean that the learning curve has been steep and going forward, there is a need to be more realistic about what can be achieved within the remainder of the project duration. Project targets (both in terms of number of people to be reached, and spending on community upgrades) were overly optimistic and need to be adjusted downward, so that progress and performance, made between now and the end of the project, is judged against more achievable targets.

In terms of **key decisions taken to speed up project implementation**, the following actions were agreed with GoB in a one year action plan for the NHA, to be monitored on a quarterly basis with WB, ERD and MoHPW. The key milestones that have been included in the one-year action plan are summarized below:

- The following revisions to the DPP should be submitted for approval as soon as possible:
 - Project closing date for NHA components should be extended in the DPP till December 2021, to be consistent with the WB Legal Agreement.
 - Reallocation of funds from Component 2 (on infrastructure upgrades) to component 1 (on community mobilization) to allow NHA to hire additional consultancy support.
 - Revision of some of the original indicators and targets in the Results Framework
- Increase the capacity of NHA to deliver the project by hiring additional consultancy firm or additional staff by 31 August 2019.
- At least 8 settlements will have been upgraded by the end of May 2020;
- Planning and design work will have been completed for a total of 15 settlements by May 2020.

Risks

Systematic Operations Risk-rating Tool

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



Other	--	--	--
Overall	● High	● High	● High

Results

PDO Indicators by Objectives / Outcomes

To improve shelter and living conditions in selected low income and informal settlements				
▶ Number of beneficiaries in selected municipalities with improved housing (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	477.00	3,540.00	40,000.00
Date	01-Jul-2016	10-Apr-2018	12-Apr-2019	30-Jun-2021
▶ Number of beneficiaries in selected settlements with improved access to and quality of services (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	24,000.00
Date	01-Jul-2016	10-Apr-2018	12-Apr-2019	30-Jun-2021

Overall Comments

A mistake was made in the previous ISR when calculating the number of beneficiaries in selected municipalities with improved housing. It should have been 2,764, which is the number of households taking housing loans (691) multiplied by the average household size, which is 4. The current value is now 3540 (885 households).

The number of beneficiaries in selected settlements with improved access to and quality of services remains zero since NHA has only started working on provision of infrastructure in one settlement so far, and this has not been completed yet. Therefore its targeted beneficiaries have still not benefitted from any improved services.

As mentioned previously, both these targets will be revised as part of the project restructuring.

Intermediate Results Indicators by Components

Shelter Component and Lending
▶ Volume of Bank Support: Lines of Credit - Microfinance (Amount(USD), Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,000,000.00	4,000,000.00	16,000,000.00
Date	01-Jul-2016	24-Sep-2018	12-Apr-2019	30-Jun-2021
Comments:	The target for this year has already been achieved.			
►Percentage of loans disbursed to lower income categories (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	28.00	28.00	40.00
Date	01-Jul-2016	24-Sep-2018	12-Apr-2019	30-Jun-2021
►Percentage of the housing loan portfolio at risk (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	01-Jul-2016	24-Sep-2018	12-Apr-2019	30-Jun-2021
Comments:	This target has been successfully achieved since the percentage of the housing portfolio at risk is 0% so far. In other words, repayment rates for the housing loans have been 100% so far.			

Community Mobilization & Planning

►Participation rate of settlement members in planning and decision making meetings (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	95.00	70.00	70.00
Date	01-Jul-2016	24-Sep-2018	12-Apr-2019	30-Jun-2021
Comments:	The participation rate of settlement members has decreased from 95% in the last ISR to 70% because there are now a greater number of communities where community upgrade plans are being designed with local residents. The 95% participation rate was based on work being done in only one community - Kobdas Para. Now that the PMU has work on-going across several communities, it is natural to see a slight decline in participation rates. This is however being carefully monitored and one of the recommendations from this mission was to increase the number of community mobilizers working on the project, to ensure that the extent and quality of community participation remains high.			
►Percentage of beneficiary households that feel project investments reflected their needs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	01-Jul-2016	10-Apr-2018	12-Apr-2019	30-Jun-2021
Comments:	No updates as of yet, since the project activities are not far enough advanced to ask residents whether project investments reflect their needs.			



Urban Community Improvements & Upgrading				
▶Number of beneficiaries of Community Upgrading Plans (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	1,600.00	24,000.00
Date	01-Jul-2016	10-Apr-2018	12-Apr-2019	30-Jun-2021
Comments:	The number of beneficiaries of community upgrading plans are based on the number of residents of the two settlements - Kobdas Para and Pramanikpara where some of the NHA work has already begun, in terms of land acquisition for the housing collective, or the start of community based contracts for improved paths and drainage.			
▶Percentage of infrastructure works evaluated as of good quality (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	01-Jul-2016	10-Apr-2018	12-Apr-2019	30-Jun-2021
Comments:	Not possible to measure this yet since infrastructure works have yet to be completed in any of the targeted settlements.			

Data on Financial Performance

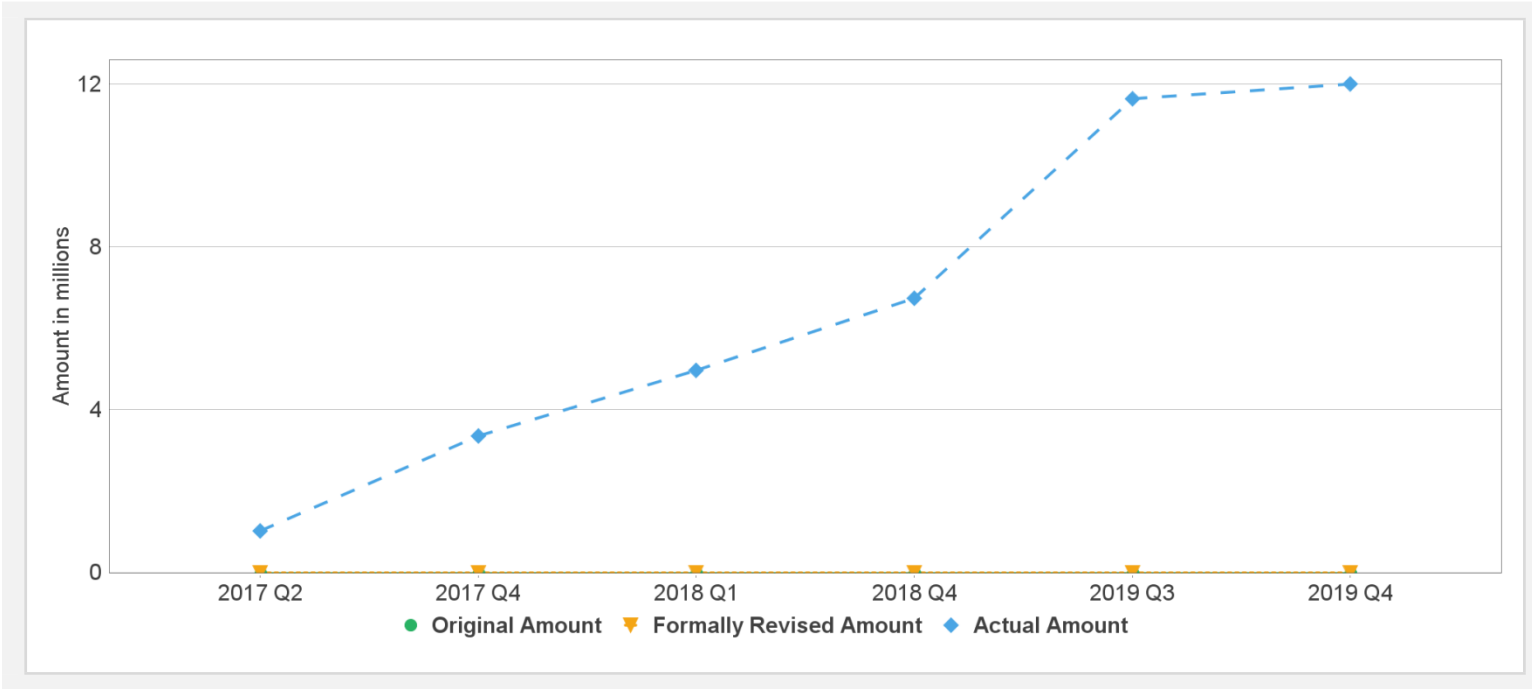
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P130710	IDA-57800	Effective	USD	50.00	50.00	0.00	12.01	38.47	24%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P130710	IDA-57800	Effective	05-Apr-2016	30-Jun-2016	20-Oct-2016	31-Dec-2021	31-Dec-2021

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.