



Earthquake Housing Reconstruction Project (P155969)

SOUTH ASIA | Nepal | Urban, Resilience and Land Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 9 | ARCHIVED on 27-Sep-2019 | ISR38593 |

Implementing Agencies: Ministry of Finance, National Reconstruction Authority

Key Dates

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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

Significant progress has been achieved on the GoN's umbrella housing reconstruction program. As of September 4, 2019, out of 715,490 eligible beneficiaries identified in the 14 most affected districts, 680,576 (95%) beneficiaries have been enrolled in the housing reconstruction program. Of this 674,853 (99%) beneficiaries have received the first tranche payment. After the inspections at plinth and lintel/roof band level construction to verify quality, second and third tranche payments have been released to 548,850 (81%) and 455,857 (67%) beneficiaries respectively. To date, the NRA has reported 397,455 houses as fully constructed and final output verification of these houses is being conducted. The EHRP aims to finance approximately 151,000 of the fully constructed houses after ensuring their compliance to safer reconstruction guidelines and upon the receipt of stipulated documentation requirements agreed under output verification procedures.



The arrangements for conducting output verification procedures and associated documentation of housing grants have been streamlined at the NRA Project Management Unit (PMU), Central Level Project Implementation Units (CLPIUs) Building, Grant Management and Local Infrastructure (GMALI). An M&E firm has been engaged to meet agreed documentation requirements for settlement of advances. Under the streamlined arrangements, CLPIU-Building is responsible for ensuring: (i) digitization of all the three inspection forms; and (ii) upload of at least one clear photograph of houses at each stage of reconstruction. CLPIU-GMALI is responsible for ensuring: (i) the digitization of the Participation Agreements signed by beneficiaries at program enrollment; (ii) the recording of housing grant's tranche payment issuance dates, in chronological order, from District Treasury Controller's Office (DTCO) in the Management Information System (MIS); and (iii) cheque numbers of each tranche released to the concerned banks are entered in the MIS.

Although restructuring of the project to incorporate SIA under Component 2, has already been signed and effective, the implementation has stalled. The activity is critically important for the second part of PDO. Draft questionnaires for both schools and health facilities have been prepared and mobile application for the survey is ready for pre-testing. For the questionnaire related to schools, Government of Nepal's Safer School guideline has been followed and non-structural elements from the guidelines have been incorporated.

The 2015 Constitution accords local level governments authority to exercise DRM, including post-disaster recovery reconstruction related responsibilities. This implies that the local governments will need to carry forward reconstruction related activities in future. This is also important in view of the NRA's sunset clause as per the NRA Act 2015 that stipulates NRA's closure on December 24, 2020. The housing reconstruction program implemented by NRA has generated important digital and physical records with associated MIS that need to be transferred to local governments. Given the short timeline ahead, it is imperative that the records and systems developed for housing reconstruction program are duly transferred to newly established Local Governments with a documentation management system as well as capacity for reconstruction and DRM related activities.

This sub-activity will constitute the transition plan for the smooth exit strategy of NRA. A concept note has been prepared and shared by NRA with the World Bank for comments. NRA has also carried out a need assessment with local level representatives in four earthquake affected districts, namely Sindhupalchowk, Dhading, Lamjung and Syangja, to understand the capacity and logistics needs for the transfer of records and transition of responsibilities.

Lack of adequate socio-technical assistance and need to mobilize socio-technical assistance teams comprising engineers, mobile masons and social mobilizers have been continuously discussed with NRA since July 2017. A number of options to extend STA through field based mobile teams were explored, agreed upon but could not be materialized. The PMU has informed that NRA has decided to hire 210 senior engineers, 250 social mobilizers and 988 mobile masons and deploy them at local level in STA teams. After significant delay, the NRA Executive Committee in its meeting on September 1, 2019 has finally endorsed the decision to initiate recruitment of 250 social mobilizers and 988 mobile masons. The PMU has prepared a guideline for the recruitment to guide the recruitment process and to ensure uniformity of procedures across all the districts.

The project is maintaining a solid internal control environment as: (i) flow of funds does not involve cash manipulation and are exclusively based on inter-banking electronic transfers which are fully traceable (from government single treasury account to beneficiaries' bank accounts in commercial banks); (ii) the project benefits from government's controls and processes at the budget preparation phase, based on the LMBIS system, at the payment stage, effectuated by FCGO through the districts offices (DTCO); (iii) Internal audit is undertaken by FCGO as well as per law and OAG provides the external audit function; and (iv) financial control is complemented by a strong mechanism of output verification, undertaken at each of the three phases of grant attribution with field visit of adequately skilled staff, adequate documentation of inspection findings supported if needed by pictures.

The NRA has established a well-functioning multi-tiered monitoring system. The CLPIUs have their own M&E setups. CLPIU-Building has a team of fifteen technical staff that reviews data submitted by field teams. With regards to PMU's M&E setup, notable progress is recorded. For the last six months NRA is regularly submitting Monthly Progress Reports. The review team notes that though with significant delay, procurement of M&E firm has been completed. The PMU has accepted the inception report submitted by the firm. The firm has established district offices in 11 districts excluding Kathmandu Valley and is in the process of rolling-out field-level works. In addition to core M&E functions, the firm will also be acting as a third-party verifier for the output verification of completed houses to be booked under IDA Credits and MDTF Grant certifying the completeness of records and compliance with the IDA documentation requirement. The M&E firm will closely coordinate with World Bank's Third-Party Monitoring Agents at district level.

With the arrival of new Project Director in the PMU, the activities associated with the documentation of housing grants and digitization have picked up the pace. It is observed that the PMU has prioritized the documentation of housing grants and digitization of participation agreements and inspection forms. The PMU is continuously coordinating with the CLPIUs Building and GMALI team to expedite the digitization process as well as to ensure that the records of beneficiaries entered in MIS are compliant with the IDA requirements. The progress achieved so far, with regards to digitization of both participation agreements and inspection are satisfactory. Though the progress achieved so far with regards to output verification documentation of housing grants, establishment of functional M&E system and completion of most of the tasks in time is noted, the Project Management Rating is retained as **"Moderately Unsatisfactory"** owing to delay in implementation of SIA.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
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Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Low	● Moderate	● Moderate
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	75,500.00	37,600.00	151,000.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	30-Jun-2023
Comments:	Actual beneficiaries booked under IDA Credits. In the absence of documentation, the progress was being reported on an assumption based on the actual progress achieved in overall housing reconstruction program. Now onward, actual documented beneficiary data will be reflected in the RF.			
▲ Out of which women headed households (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	19,630.00	7,308.00	39,260.00
▶ Citizens made aware of earthquake resilient reconstruction (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	75,500.00	37,600.00	151,000.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	30-Jun-2023
Comments:	Actual beneficiaries booked under IDA Credits. In the absence of documentation, the progress was being reported on an assumption based on the actual progress achieved in overall housing reconstruction program. Now onward, actual documented beneficiary data will be reflected in the RF.			



Enhance the Government's Ability to improve long-term disaster resilience.				
▶Four Hundred elected representatives and government officials given orientation on disaster risk management and housing reconstruction with transfer of project records. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	400.00
Date	31-May-2015	11-Jun-2019	06-Sep-2019	31-Dec-2020
Comments:	In an effort to integrate local governments into reconstruction, elected representatives and officials of Local Governments in earthquake affected districts will be trained on Disaster Risk Management and reconstruction. The activity is expected to start implementation by the end of October, 2019.			

Intermediate Results Indicators by Components

Housing Reconstruction				
▶Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	324,650.00	161,680.00	649,300.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	31-Jul-2020
Comments:	Actual beneficiaries booked under IDA Credits. In the absence of documentation, the progress was being reported on an assumption based on the actual progress achieved in overall housing reconstruction program. Now onward, actual documented beneficiary data will be reflected in the RF.			
▲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	50.00	25.00	100.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	31-Jul-2020
Comments:	Actual percentage			
▲Intended beneficiaries aware of project info. and project investments - female (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	19,630.00	7,308.00	39,260.00
▶Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)				

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	98.00	81.00	95.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	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	205,584.00	205,584.00	100,000.00
▶Engineers and artisans trained in multi-hazard resistant construction (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	9,319.00	9,319.00	9,319.00	12,000.00
Date	31-Jul-2015	11-Jun-2019	06-Sep-2019	31-Jul-2020
Comments:	The number previously used included consolidated number of artisans trained by different entities including I/NGOs and IDA. 9,319 artisans are trained through IDA financing.			

Disaster Risk Management Systems				
▶Structural Integrity of social infrastructure carried out across the country. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	22-Oct-2018	11-Jun-2019	06-Sep-2019	31-Dec-2020

Overall Comments

As documentation of actual beneficiaries supported by IDA Credits has started, actual number will be updated in the results framework.

Data on Financial Performance

Disbursements (by loan)

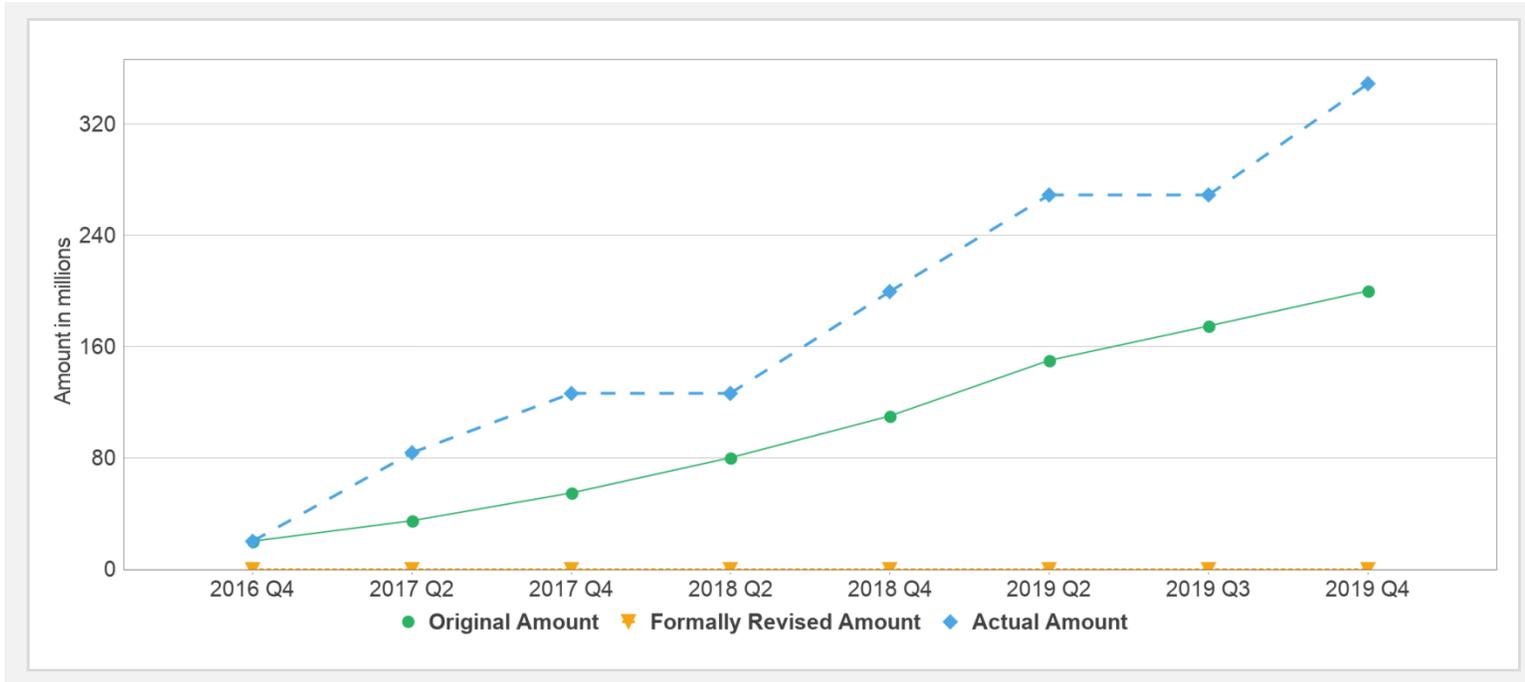
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P155969	IDA-57060	Effective	USD	200.00	200.00	0.00	199.70	2.40	99%
P155969	IDA-61640	Effective	USD	300.00	300.00	0.00	149.44	148.14	50%

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 ,Level 2 Approved on 21-May-2019

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 ,P170565-Second Additional Financing Earthquake Housing Reconstruction Project