



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 01-Mar-2017 | Report No: PIDISDSA20868



BASIC INFORMATION

A. Basic Project Data

Country Nepal	Project ID P162067	Project Name MDTF Funding for Earthquake Housing Reconstruction Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 20-Mar-2017	Estimated Board Date 18-Apr-2017	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency National Reconstruction Authority	

Proposed Development Objective(s)

The Project Development Objective (PDO) is to restore affected houses with multi-hazard resistant core housing units in targeted areas.

Components

Component 1: Housing Reconstruction

Financing (in USD Million)

Financing Source	Amount
National Earthquake Reconstruction TF	10.00
Total Project Cost	50.00

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

Note to Task Teams: End of system generated content, document is editable from here.

Other Decision (as needed)



B. Introduction and Context

Country Context

- 1. Nepal is highly vulnerable to a range of natural hazards, particularly earthquakes, flood, drought, and landslides.** All of Nepal is exposed to significant earthquake hazard resulting from the convergence of the Indian tectonic plate with the Eurasian plate, which also drives the uplift of the Himalayan mountain range. In addition, much of the country is drought prone as well as susceptible to floods, and landslides. According to the Natural Disasters Hotspots Report¹, Nepal is ranked as the 11th most vulnerable country in the world to earthquakes and 30th to flood risks. Combining these hazards, and the high level of vulnerability to both, the country is ranked second in the world to mortality risk from two or more hazards. Approximately 80 percent of its geographic area is at risk from multiple natural hazards, with the vast majority of the population inhabiting these high-risk areas. The frequency and intensity of natural hazards coupled with an agriculture-dependent population with lack of adequate infrastructure such as roads, drinking water, irrigation etc., makes Nepal highly vulnerable to hazards.
- 2. The Himalayan Mountains is an area of intense seismic activity that results from the tectonic collision of the Indian and Eurasian plates.** During the 1934 M8.2 Nepal-Bihar earthquake, which had an epicenter 175 km from Kathmandu, almost all buildings collapsed in Kathmandu, Bhaktapur and Patan and casualties were estimated to be as high as 12,000. Other major earthquakes were recorded in 1897, 1905, 1934, and 1950. Seismic experts estimated in 2005 that at least four M8.6 events would need to occur in the Himalayas to release the tectonic strain accumulated by the plate collision over recent centuries. The earthquakes on April 25 and May 12, and accompanying aftershocks have therefore not released all of the accumulated energy in the plate boundary, and the region may therefore experience further large magnitude earthquakes in the coming years or decades.
- 3. On April 25, 2015, a 7.8 magnitude earthquake struck central Nepal.** The earthquake and its sequence of aftershocks caused 8,700 deaths and some 25,000 injuries. A Post-Disaster Needs Assessment (PDNA), completed on June 15, 2015, found that total damages and losses resulting from the earthquake sequence amounted to about \$7 billion, and reconstruction needs amounted to about \$6.7 billion. As the earthquake sequence destroyed 490,000 houses—mostly traditional mud-brick and mud-stone houses built and occupied by the rural poor— and rendered another 265,000 houses at least temporarily uninhabitable, the largest single need identified in the PDNA was housing and human settlements, accounting for \$3.27 billion of needs (or almost half of the total needs).² The Government of Nepal (GoN) has estimated the total financing required for housing reconstruction to be around US\$1.2 billion.
- 4. An IDA Credit of US\$200 million (P155969/Credit No. 5706-NP), Earthquake Housing Reconstruction Project (EHRP), was approved by the World Bank Board of Executive Directors in June 2015 for housing reconstruction project, being financing out of the IDA Crisis Response Window (CRW).** This credit has enabled the reconstruction of about one-tenth of the housing destroyed in the earthquake sequence.

¹ The World Bank: *Natural Disaster Hotspots, A Global Risk Analysis* (Washington, DC: Disaster Risk Management Series, 2005)

² These were the initial numbers reported by the PDNA. A Earthquake Household Damages and Characteristics (EHDC) Survey was carried out in preparation for EHRP implementation identified 629,586 households eligible for support in the 14 most heavily affected districts alone, making the total much higher than initial projections suggested.



5. **With financing from other donors a total of US\$600 million has been pledged for housing reconstruction program of US\$1.2 billion, including the US\$200 million Credit from IDA.** The European Commission has provided US\$100 million in budget support, JICA has set up a parallel funding grant of US\$100 million and India has pledged US\$100 million. This leaves an approximate funding gap of US\$600 million.
6. **To help cover this funding gap, a Multi-Donor Trust Fund (MDTF), administered by the World Bank, was set up in September 2015.** The United States Agency for International Development (USAID), the Swiss Agency for Development and Cooperation (SDC), Department for International Development (DFID) and the Government of Canada (GoC) have so far contributed to the MDTF. The objective of the MDTF is to contribute to Nepal's housing reconstruction through co-financing for the EHRP. The MDTF has to date raised and signed a total of \$30.5 million, but is expected to increase in size through further contributions from USAID, SDC, DfID and CoC.
7. **The proposed Project seeks the approval of grant financing from the MDTF totaling US\$50 million for co-financing of the IDA-financed EHRP.** The Project Appraisal Document (PAD) outlines funding for a total of US\$50 million. This is also the amount that will be appraised. However, only funding currently available in the MDTF will be made available to Government and signed in the Grant Agreement (GA). At this point in time, a first grant of \$10 million will be made available to Government. The MDTF was set-up based on a cash basis of commitment, which means that grants can only be processed and GA signed up to the amount of cash already paid in to the MDTF by donors. The proposed process aligns with this original intention as a GA will never be signed for more than what is available in the MDTF. The remainder of the funds appraised in the current PAD will be made available as donors contribute further funding to the MDTF and will be subject to revision of the GA. While the PAD will follow the normal ADM process for IPF, the decision process for transferring future funds, as and when made available by donors and paid in to the MDTF, will be as follows: The task team leader recommends, Legal and WFA clear, the Practice Manager concurs and the Country Director decides. The results indicators in the PAD results framework are adopted from the EHRP in an adjusted form to ensure alignment in reporting and monitoring and based on a full grant size of US\$50 million.
8. **The Project Development Objective (PDO) of the IDA-financed EHRP is to restore affected houses with multi-hazard resistant core housing units in targeted areas and to enhance the Nepal's ability to improve long-term disaster resilience.** The proposed grant project will adopt the same PDO, but the grant will only finance component 1 (housing grants to beneficiaries) and not components 2-4 (technical assistance, monitoring and administration). The project outputs and annual output targets will be revised to reflect the scaled up activities. No changes are proposed in fiduciary management arrangements from the set-up under EHRP and safeguards management arrangements of the existing project will be applied to the new grant.
9. **The EHRP:** The EHRP became effective on January 28, 2016, after the client had met the conditions of effectiveness, which included establishment of Project Implementing Units at the central and district levels, and approval of the Project Operations Manual. Shortly after effectiveness, the Implementation Progress (IP) rating was downgraded to Moderately Unsatisfactory (MU) due to slow establishment of the National Reconstruction Authority, which resulted in delays in implementation.
10. **Since then implementation has picked up considerably in target areas of the Project, in close coordination with JICA, USAID, and local partner organizations and the IP has been upgraded to Moderately**



Satisfactory (MS). At effectiveness the client had established Project Implementing Units at the central and district levels, and finalized the Project Operations Manual. On February 14, 2016, the Safeguards documents were submitted to the Bank for review and approved on March 4, 2016.

11. **The first critical step of the program was the Earthquake Household Damages and Characteristics (EHDC) Survey carried out by the Central Bureau of Statistics (CBS) with support from United Nations Office for Project Services (UNOPS).** After four months of preparation, the EHDC survey was launched on January 1, 2016 and has been completed in 14 districts, subsequently a survey was carried out in 3 districts of Kathmandu valley. The survey was partially financed through a Bank executed grant under the MDTF. Out of a total of 829,702 potential beneficiaries surveyed, the housing survey has found a total of 629,586 households to be eligible for the housing program. The survey results provides excellent insight to inform and target the scope of the EHRP and MDTF-funding.
12. **The data was collected electronically and was analyzed for eligibility in real time.** As the names of eligible households in target areas became available, the process of enrollment was launched. As of February 18, 2017, out of 626,695 eligible beneficiaries 552,812 have been enrolled. Following enrollment, the first tranche of household subsidies is transferred directly to the beneficiaries' bank accounts. So far, 516,742 households have received the first tranche of the three-tranche housing grant into their bank accounts, including 160,470 in the districts supported by the EHRP.
13. **Training guidelines, implementation procedures, capacity strengthening of central and local bodies, and technical standards for inspection have been addressed by the government with support of the Bank and other development partners.** 316 engineers, 105 sub-engineers and 140 assistant engineers have been deployed in the Project area to support the reconstruction effort.

Sectoral and Institutional Context

14. **The World Bank's engagement on disaster risk management (DRM) in Nepal has focused on increasing the understanding of seismic risk among government officials, and effectively utilizing this information to improve resilience.** An ongoing Global Facility for Disaster Risk Reduction and Recovery (GFDRR) financed initiative is supporting the GoN to undertake a detailed vulnerability assessment of public sector buildings, including schools, health centers, and public administration buildings. The South Asia Open Cities initiative is the platform for collecting the exposure and vulnerability data. This program utilizes low cost, open source tools such as GeoNode and OpenStreetMap to engage government officials and the local community in mapping the exposure of infrastructure and building assets across Kathmandu Valley.
15. **A well designed reconstruction policy guides the reconstruction process. Building codes approved by the Ministry of Urban Development (MoUD) are being widely disseminated. The approved building codes are the minimum compliance requirements to be followed by the beneficiaries for in-situ or relocated construction. The policy stipulates mandatory relocation in case of hazardous site.** An inspection regime has been developed by NRA and has been reviewed by multiple technical experts. MoUD has recruited over 2,500 engineers and other technical staff to carry out inspections to ensure adherence to building codes. JICA and World Bank have supported, technically as well, training of trainers for inspecting engineers.
16. **The National Disaster Management Plan, developed in 1993 and endorsed by the Government in 1996, emphasizes the need to bring the natural resources management, climate change, and development**



together with disaster management. In this context, the Bank also has a US\$35 million PPCR funded Hydrometeorology Modernization program under implementation with the GoN, focusing on improved management of climate variability and climate induced natural disasters.

17. **Following the earthquake, the Bank began providing advice and support to the GoN on how to consider and design reconstruction and recovery efforts.** The Bank has demonstrated global and regional experience in post-disaster housing reconstruction and social protection - in several countries including Pakistan, India, Haiti, the Philippines, and Indonesia - and is well positioned to bring its expertise and experience to support the GoN through the recovery and reconstruction processes.
18. **The GoN is leading the overall housing reconstruction efforts nationally through a housing reconstruction program to encompass all of the housing stock to be rebuilt.** It serves as a coordinating framework to standardize housing reconstruction policy, irrespective of the funding sources. The EHRP provides direct financing for grants and technical support to approximately 55,000 participating households in the three EHRP support districts and also informs operational modalities for the development of the government's overall housing reconstruction program. Eligibility, targeting, and sequencing has been defined in agreement with the GoN and detailed in a Project Operations Manual (POM) based on the detailed household EHDC survey. The proposed MDTF-financed project is intended to support an additional portion of housing grants, under the existing implementing arrangements and POM, to support government in addressing the reconstruction needs of households affected by the earthquake and crowd in further funding towards the government's housing reconstruction efforts.
19. **The proposed Project takes into account the lessons from other similar disaster events and the multi-sectoral needs assessment undertaken during the PDNA,** and it is part of a broader package to support the GoN's reconstruction and recovery efforts and to increase resilience, strengthen capacity, and better manage emergency events.
20. **The EHRP is active in three districts: Dahding, Dolakha and Nuwakot. The EHRP cannot, however, cover all beneficiaries in these three districts.** The proposed MDTF-funded project will therefore finance residual beneficiaries in these three same districts. This will ensure efficiency in Bank implementation support and monitoring. Should the MDTF raise more funding than these three districts can absorb, the project will have to be restructured and the new districts appraised.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

Development Objective(s) (From PAD)

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

Key Results



D. Project Description

Component 1: Housing Reconstruction- *US\$50 million*

21. The proposed Project will finance: (a) the provision of housing grants of approximately US\$ 3,000 per eligible beneficiary for reconstruction of approximately 16,000 multi-hazard resilient core housing units. Eligibility will be determined by an assessment of recovery needs and willingness to participate and adhere to project guidelines for resilient construction, quality standards and timelines; and (b) the establishment of a program of owner-driven housing reconstruction in targeted areas including: i) social, environmental, and technical support mechanisms for beneficiary households; ii) training of artisans and beneficiaries; iii) communication and outreach; iv) supervision and certification of compliance with multi-hazard resistant standards and of completion of multi-hazard resilient core housing units; v) implementation of the environmental and social management framework including identified safeguard mitigation measures; vi) development of a grievance redress mechanism; and, vii) other enabling activities.
22. Activities are guided by a set of principles including: i) promotion of multi hazard-resistant construction standards and design; ii) primarily in-situ reconstruction, except where relocation is necessary due to vulnerability of location; iii) owner-driven rebuilding with socio-technical assistance, training, and supervision; iv) utilization of easily accessible and local materials and familiar construction methods; and, v) provision of uniform assistance package as reconstruction assistance in tranches based on certification of stage and quality. In addition, the program design will strive to ensure coordination of multiple reconstruction initiatives and standards for equity; and attempt to link housing to livelihoods and infrastructure rehabilitation. The beneficiary households have been screened and identified through the Earthquake Household Damages and Characteristics (EHDC) Survey.
23. While the total cost of individual houses in rural Nepal will likely be more than NPR 500,000, this program only provides grants as incentive for people to reconstruct disaster resilient houses. As per the grant distribution guidelines of the NRA, Individual Housing Reconstruction Grant will be disbursed in three tranches: the first tranche release upon certification of eligibility, second tranche release upon verification of compliance of minimum requirements for safe building construction standards up to plinth level, and third tranche release upon verification of compliance of minimum requirements for safe building construction standards up to roof level. . The exact amount of the grant will be determined by the GoN and may be adjusted if needed during implementation. This is stated in the Operations Manual for the EHRP, which will also apply to the proposed project.
24. The households receiving grants and technical support under this component will be geographically targeted to selected Village Development Committees (VDCs)/Municipalities with rural characteristics, in the affected districts. The VDCs/Municipalities have been selected based on the extent of damages in the village and readiness to implement the project. These criteria have been assessed through the EHDC Survey which has: i) built on the data already collected by District Disaster Relief Committee (DDRC), ascertained the damage to the housing stock at the VDC/Municipality level against uniformly applied engineering criteria; ii) verified household eligibility through the EHDC Survey including willingness to adhere to project guidelines for resilient construction and timelines; and iii) collected information to open bank accounts for affected households (or other assistance transfer mechanism), which is in the name of the beneficiary, to



ensure timely and transparent fund transfers. Final certification of completion of multi-hazard resilient core housing will be carried out in accordance with the Operations Manual.

25. The IDA EHRP has developed a Management Information System (MIS) to monitor the project's physical and financial progress and to ensure fundamentals of transparency and accountability in the process. Through the MIS, there has been significant progress in the development of targeting, enrollment, inspection and banking modules. Photos and attributes collected from the EHDC survey are easy to view and query. This has been used to derive and cross-check the list of eligible beneficiaries and will be used to collect data during inspection, facilitating quick and effective monitoring activities. The MIS is also linked to the Line Ministry Budget Information System (LMBIS), hosted by Ministry of Finance. The MIS is key for retaining and expanding confidence in the housing program, particularly with respect to donors.
26. In addition to the government's own inspection system, the World Bank and NRA will be supported by a specialized Monitoring Agent. The monitoring agent will perform spot checks in the three EHRP support districts, Dahding, Dolakha and Nuwakot to ensure independent monitoring of physical and financial progress and technical construction standards of individual housing grants. This will require substantial manpower to be deployed locally to apply compliance spot checks at various stages of construction. The monitoring agent will be financed through a Bank executed grant financed by the MDTF.

E. Implementation

Institutional and Implementation Arrangements

27. At the time of the IDA EHRP project design and approval, in the absence of a Reconstruction Authority, the implementation responsibilities of the PMU were established within MoF, recognizing that upon the establishment of such an authority the PMU responsibilities would be transferred. The Project Appraisal Document and Financing Agreement further noted that such an Agency could take over the guidance and oversight role of the PMU, if established, as well as additional responsibilities, such as implementation, procurement and/or financial management, following required assessments in accordance with Bank policies and the project would be restructured, if necessary.
28. The National Reconstruction Authority (NRA) was established in December 2015 by the Act No. 11 of 2015, approved by the Legislature-Parliament. The NRA is responsible to approve policies, plans, budget and programs with schedule of operations for the reconstruction of earthquake affected structures, including housing reconstruction. The Bank received the Government of Nepal's request to transfer the PMU to the NRA on February 28, 2016.
29. The Project is implemented through two Project Implementing Units (PIUs), one in the Ministry of Federal Affairs and Local Development (MoFALD) and one in the Ministry of Urban Development (MoUD), under the overall supervision of the PMU at the NRA. The MoFALD-PIU will be the implementing agency for the provision of the housing grants, and the MoUD-PIU through its Department of Urban Development and Building Construction (DUDBC) will be responsible for providing technical inputs to oversee housing reconstruction.



30. The already existing PMU and PIUs as well as the approved POM will be used for the proposed MDTF-funded Project. The systems and staffing in place are fully capable of absorbing the additional funds without any further system building or capacity necessary. Since government will not be expected to perform any additional activities with the MDTF funding but only transfer more funding through already existing, tried and tested systems for a scale up of the number of beneficiary grants, current structures are ready to take on the funding increase. MDTF Donors are in full agreement that the existing implementing arrangements set up for the EHRP will be used also for the MDTF funding to ensure efficiency and consistency.
31. The NRA is meant to be a temporary institution. Housing is likely to conclude in three to four years' time, experience tells that public infrastructure reconstruction is a long haul undertaking. The Pakistan 2005 earthquake saw establishment of Earthquake Reconstruction Authority (ERRA), on whose pattern NRA has been established. ERRA was able to complete reconstruction of half a million houses within 3-4 years, however, public infrastructure reconstruction continues and is likely to be completed by end of 2018. Keeping in view terrain and other contextual realities, Nepal is likely to take another 8 to 10 years to complete public infrastructure. Therefore, NRA is expected to have a life of around ten years, if no other disaster hits the country.
32. The NRA was established in December 2015. A Steering Committee headed by the Prime Minister of the country serves as the governing body. In its settling phase the progress did remain uneven and there are still some residual risks such as political interference, which remains donors' concern. The risk is being mitigated by donors taking a joint approach under the leadership of the Bank. The NRA has gained wider acceptance within the government system as key EHRP implementing ministries i.e. MOFALD and MOUD undertake actions after approval of the authority and strictly adhere to policies and procedures approved by NRA. In addition to information dissemination through regular sources, house owners' orientation programs have been launched not only to inform the house owners of the procedures but also of the basic requirements of compliance.
33. To carry out its responsibilities, the NRA will continue to need institutional strengthening. However, this will be financed through the IDA-financed EHRP and TA activities as well as by other partners, including USAID, DfID and JICA. The proposed MDTF-project is not envisioned to finance capacity building activities.

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will be implemented in targeted areas in the most severely affected districts of Gorkha, Kavrepalanchok, Dhading, Nuwakot, Rasuwa, Sindupalchok, Dolakha, Ramechhap, Okhaldunga, Makwanpur, Sindhuli, Kathmandu, Bhaktapur and Lalitpur. All of the affected districts are located in the Central and Western Region of Nepal and physiographically the area lies in the middle hills and the mountains.



G. Environmental and Social Safeguards Specialists on the Team

Chaohua Zhang, Drona Raj Ghimire, Jun Zeng, Annu Rajbhandari

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Project envisages small scale activities spread out in large geographical area (e.g. construction of residential houses). This could result in minor/medium impacts on the natural environment (air, water, and land) as well as on human health and safety. An Environmental and Social Management Framework (ESMF) has been developed to specify site screening criteria and subproject Environmental and Social Management Plan (ESMP) requirements to ensure that potential negative impacts are avoided, mitigated and managed, and that environmental enhancement opportunities are incorporated whenever possible.
Natural Habitats OP/BP 4.04	Yes	There are protected areas and their buffer zones in the affected areas. Communities are living in the buffer zones. Housing and other support to people in the buffer zone may lead to increased pressure on protected areas. Such risks will be screened for and addressed through subproject ESMPs, in accordance with criteria to be specified in the ESMF.
Forests OP/BP 4.36	Yes	Community forests are important source for timber, firewood and fodder for the communities in the earthquake affected districts. Housing and other support provided by the project may increase pressure on the forests. Such risks will be screened for and addressed through subproject ESMPs, in accordance with criteria to be specified in the ESMF.
Pest Management OP 4.09	No	Procurement or use of pesticide is not envisaged in any project activity, and increased use of pesticide is not expected.
Physical Cultural Resources OP/BP 4.11	Yes	Subproject location or activity may take place in close vicinity of physical cultural resources of local/ community. Also chance find of cultural artefact may



		not be ruled out. The ESMF specifies appropriate requirements for screening of subprojects and appropriate management measures in the case of any known cultural resources to be affected, as well as to ensure chance find procedures are included in subproject ESMPs.
Indigenous Peoples OP/BP 4.10	Yes	Indigenous Peoples (IPs), also known as Adivasi Janajati in Nepal, account for about 40 percent of the total population in the affected districts. Some of the IP households, beside Dalits, are considered among the poorest and most marginalized in Nepal. Therefore any development interventions carried out at a national scale are bound to affect indigenous communities, including this project. With the aim of restoring housing in targeted communities affected by the earthquake while increasing long-term resilience, the proposed project will benefit a large number of households from these communities, particularly those who lost their houses and assets and sources of livelihood as result of the earthquake. This is particularly so with indigenous communities, since the majority of the earthquake victims are reported to be from IP communities. The IPs alongside Dalits and female-headed households are among the targeted beneficiaries of the various activities under the proposed project. Since indigenous communities are present in the project area, the policy is triggered.
Involuntary Resettlement OP/BP 4.12	Yes	Land taking maybe needed due to limited relocation of settlements/households that are no longer habitable due to ground fissures and high risks of seismic and landslide hazards. Therefore the policy is triggered.
Safety of Dams OP/BP 4.37	No	Project does not support construction or maintenance of dam(s), and is not dependent on any existing dam.
Projects on International Waterways OP/BP 7.50	No	Project will not use or depend on, and will not affect quality of water from international river or water body.
Projects in Disputed Areas OP/BP 7.60	No	Project area is not disputed land.



KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Need for timber for construction of houses/shelters will put pressure on the forests, and protected areas buffer zones which lies in the vicinity of the affected districts. The communities, under the management plan approved by the District Forest Office, may access their respective community managed forests for timber, fodder and firewood needs. Impacts on these forests may be mitigated through strengthening the community forest management and promotion of good environmental practices in housing. The forest land cannot be used for building residential houses. The project area is fragile and susceptible to landslides and erosion. Extraction of construction materials (timber, sand, gravel, aggregates, clay etc) will increase the vulnerability of landslides and soil erosion. Impact on environmental health and sanitation due to debris/demolition materials which will potentially lead to water/air pollution. Project may also contribute positively, by helping build better. Potential positive impacts can be anticipated through the promotion of environmental good practices (e.g. alternative energy, smokeless stove, solar power, rain-water harvesting, water recycling, re-use of salvaged timber/materials, sanitation etc) as part of design and construction of houses, on a case-by-case basis where appropriate, and reducing the deterioration of the environment and increasing the resilience of ecosystems in an area, if relevant and necessary, through afforestation programs, slope stabilization through re-vegetation, and bio-engineering activities. There is a high potential for supporting the concept of 'build back better' and disaster risk reduction through the adoption of new and resilient engineering technologies for constructing rural homes. From the social perspective, the project will bring positive benefits to beneficiaries, including poor, women, indigenous peoples (IPs), Dalits, etc., in the form of housing grants support; however, potential social risks and impacts may include 1) Resettlement impact due to limited relocation of settlements/households that are no longer habitable due to ground fissures and high risks of seismic and landslide hazards; 2) Inadequate consultations with vulnerable groups including IPs, Women, Dalits and other marginalized groups leading to their low participation in project activities; 3) Ineffective mechanisms for benefit targeting and information dissemination leading to exclusion of marginalized groups from project benefits.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
None.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The current project approach seeks to minimize future vulnerability of households to seismic and other hazards and to promote resilience and sustainability by "building back better". During implementation, various alternatives for each individual or block house/shelter related to siting (avoiding landslide prone areas, avoiding forests, etc), designs (to incorporate relevant environmental good practices such as earthquake resistance, improved smokeless stoves, rainwater harvesting, alternative energy, etc), and construction materials (to ensure environmentally appropriate sourcing of timber, sand, clay, concrete blocks etc) and construction management (such as to ensure safe disposal of unusable debris at site, avoid impacts to cultural property, minimize health and safety risks, etc) will be identified and considered through subproject planning and implementation.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Safeguard documents for the original IDA EHRP (P155969) have been prepared by the client and approved by the



Bank. The same documents are applicable in the proposed Project also. The client is in the process of establishing and staffing the CL-PIU and DL-PIUs: fully functional implementing units at center and districts as well as awareness and capacity building, particularly at district level and below are important in effective implementation of the safeguard measures. A Social Safeguards Specialist has been hired at MOFALD CL-PIU, and the process of recruiting Environmental Specialists for CL-PIU and Environmental and Social Specialists for DL PIU in Nuwakot, Dhading, and Dolakha districts has started.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consultations have been held with relevant departments and district-level offices of the government, project-affected groups, community based organizations, NGOs, women’s groups, indigenous peoples’ organizations, etc., at the national and local level about the project’s environmental and social aspects. These consultations informed the preparation of the ESMF, RPF and IPPF of the IDA EHRP which were prepared by the client and approved by the Bank.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 14-Feb-2016	Date of submission to InfoShop 10-Mar-2016	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
--	---	--

"In country" Disclosure

Nepal
10-Mar-2016

Comments

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 14-Feb-2016	Date of submission to InfoShop 10-Mar-2016
--	---

"In country" Disclosure

Nepal
10-Mar-2016

Comments

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank	Date of submission to InfoShop
-----------------------------	--------------------------------



14-Feb-2016

10-Mar-2016

"In country" Disclosure

Nepal

10-Mar-2016

Comments

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

NA

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?



OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

NA

Does the project design include satisfactory measures to overcome these constraints?

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes



CONTACT POINT

World Bank

Kamran Akbar
Senior Disaster Risk Management Specialist

Borrower/Client/Recipient

Ministry of Finance

Implementing Agencies

National Reconstruction Authority
Govind Pokharel
Chief Executive Officer
grpokharel@yahoo.com

Govind Pokharel
Chief Executive Officer
grpokharel@yahoo.com

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Kamran Akbar
----------------------	--------------

Approved By

Safeguards Advisor:		
---------------------	--	--



Practice Manager/Manager:	Christoph Pusch	03-Mar-2017
Country Director:	Takuya Kamata	07-Mar-2017

Note to Task Teams: End of system generated content, document is editable from here.