

EX POST EVALUATION OF NATURAL DISASTER PROJECTS

Three projects in response to flood, mudslide and earthquakes September 2005 Abstract

Background. In the late 1990s, the CEB approved three projects in response to three natural disasters of increasing magnitude. Project A financed the construction of apartments and repair of infrastructure after a flash flood and mudslide. Project B financed the reconstruction or rehabilitation of private and public buildings, some infrastructure and rural barns following an earthquake. Project C enabled the reconstruction of urban apartments.

Evaluation findings. The objectives of the projects were fully in line with the immediate needs and priorities of the disaster victims. Their designs were simple, and the standards of construction, other than for the barns, were in conformity with the anti-seismic norms in force at the time. Site selections in Project C were appropriate. The main drawbacks observed were:

- A lack of consultation between the central authorities entrusted with project implementation and the project beneficiaries or local administrations.
- The lack of ex ante or ex post social surveys as well as a lack of consideration for non-engineering issues faced by the beneficiaries.
- Inadequate building insulation or heating systems were noted for Projects A and B.
- Inadequate foundations and danger of liquefaction were noted for some of the apartments' buildings rebuilt under Project B.
- Some apartment buildings were not rebuilt according to basic anti-seismic principles under Project C.

Agreed objectives were met in all projects at an impressive pace. However, the fast pace and the low prices imposed on the many contractors resulted in low quality constructions, poor infrastructure and landscaping finishing, and many contractor bankruptcies. Consultants entrusted with supervision often ignored contractor lapses in order not to jeopardise their own remuneration, which was linked to construction progress.

The victims' primary needs had been met on time. But new dwellings were allocated by lottery, without attention to family size and previous lifestyle. Collectively owned buildings suffer from the mixed social origins of their inhabitants and their diverse appreciation of the need for maintenance or heating, putting in jeopardy their sustainability. Many apartments along the seashore, allocated to families who used to reside there only in the summer, remain empty, putting further strain on maintenance needs. Even though not legally recognised, an unofficial resale market has flourished. Municipalities faced increased burdens for which they lack financial and human resources. A few claims of illicit acquisitions of project dwellings were reviewed by the judicial authorities. Disaster preparedness, which the CEB projects did not finance, is still low in the borrowing country but improving, mainly as a result of the psychological impact of the earthquakes.

Rating. Projects A and B were rated **marginal**; project C is rated **satisfactory**.

Lessons and recommendations

- There is a need for constant dialogue with the beneficiaries to improve project relevance and effectiveness. The beneficiaries should be encouraged to act as "solution providers."
- The bidding system should not impose unrealistically low contractor remuneration. The financial and technical capabilities of the latter should be verified before their bids are accepted.
- Agencies with an engineering background should not be burdened with project planning or implementation, which should rather be entrusted to a disaster recovery coordination entity.
- The coordination entity should establish a project monitoring unit utilising criteria and indicators based on best practices. Monitoring should also cover outsourced supervision activities.
- The introduction of a compulsory private earthquake insurance scheme is commendable, but the ceiling imposed on maximum insurance does not allow sufficient coverage of potential risks.
- The CEB and other financial institutions should exchange information when financing parallel loans.
- The CEB should elaborate, preferably with other donors, standardised project methodology and conditionality packages for the mitigation of disasters, to be pre-agreed with the eventual borrowers. Its field supervision missions should extend their reporting to the socio-economic impact of the CEB projects.