

WB okays \$300m for house reconstruction

The World Bank has approved \$300 million in additional finance for the Earthquake Housing Reconstruction Project. This supplements a \$200 million credit approved by the bank on June 29, 2015.

The additional finance will help the government meet a share of the financing gap in its housing reconstruction programme under implementation following the devastating earthquakes of 2015. The impact of those earthquakes is estimated at 35 per cent of the country's gross domestic product (GDP) with recovery needs of about \$7 billion.

From a preliminary estimate of 500,000 households in 2015, the total number of eligible and enrolled beneficiaries has increased to 650,000 households. The government has also increased the housing grant to Rs 300,000 per household from the earlier Rs 200,000 to reflect increased construction costs. With these updates, the financing gap in government's housing reconstruction programme has widened to over \$1.2 billion.

The additional credit will finance hazard-resistant reconstruction of an additional 96,000 houses. The original bank credit covers the reconstruction of 55,000 houses. Over 73,706 houses have been reconstructed till date. Reconstruction has started with another 177,000 houses.

“Nepal requires critical investments in resilient recovery,” the statement issued by the World Bank quoted its Country Manager for Nepal Takuya Kamata as saying. “This will help avoid new disaster risks and ensure Nepal's continued progress in key development indicators. Such investments will also strengthen disaster preparedness and improve the capacity to respond.”

With the additional finance, the Earthquake Housing Reconstruction Project will continue to transfer the housing grants directly to the bank accounts of beneficiaries.

“This remains a key principle in order to ensure that the right beneficiary gets the right tranche amount upon verification,” the statement quoted Kamran Akbar, senior disaster risk management specialist at the World Bank as saying.

A World Bank administered Multi-Donor Trust Fund (MDTF) supports the implementation of the Earthquake Housing Reconstruction Project. Other MDTF partners include the US, the UK, Switzerland and Canada. Japan and India also provide parallel financing to support housing reconstruction.

Source: The Himalayan Times, 18th December, 2017