

## COMMUNITY - BASED SETTLEMENT REHABILITATION AND RECONSTRUCTION PROJECT (CSRRP) FOR NAD AND NIAS



# MID - TERM EVALUATION EXECUTIVE SUMMARY

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# COMMUNITY-BASED SETTLEMENT REHABILITATION AND RECONSTRUCTION PROJECT

## EXECUTIVE SUMMARY

### BACKGROUND AND RATIONALE

The Community-Based Settlement Rehabilitation and Reconstruction Project (CSRRP) is a multi-donor funded Project whose main objective is “to support the efforts of the Government of Indonesia to restore the living conditions (housing and basic infrastructure) in communities impacted by the December 26, 2004 tsunami in Nanggroe Aceh Darussalam (NAD) and Nias...”<sup>1</sup> The Project has a three year implementation period, from the last quarter of 2005 to June 2008.<sup>2</sup> The target is to build “5,000 reconstructed houses and 8,400 rehabilitated houses in 188 villages”<sup>3</sup> as Phase 1 of the Project. The full delivery of these was scheduled to be in December 2006. Phase 1 also involves the “provision of institutional support to the Department of Housing and Public Facilities (DHPF) under the Badan Rehabilitasi dan Rekonstruksi (BRR)...”<sup>4</sup> the special agency in charge of coordinating earthquake and tsunami-related reconstruction and rehabilitation in NAD and Nias. The subsequent implementation of Phase 2 will aim to expand the coverage of the Project into additional villages or houses from the Phase 1 villages depending on available funds from the original grant or from other sources. Phase 2 work is also contingent on several “triggers” based on “benchmarks of processes rather than full pledge outputs and outcomes” from Phase 1 activities.<sup>5</sup>

The CSRRP employs a community-driven development approach that is applied in all phases of the project cycle – planning, management, implementation and monitoring. It seeks to ensure the appropriateness of targeted beneficiaries, transparency in the flow of funds and community ownership of the Project.

There are four Project components, namely: (a) Shelter Supports Grant; (b) Block Grants for Priority Infrastructure; (c) Project Implementation Support; and (d) Program Support, Monitoring and Evaluation. The key impact indicators of the Project are the following:<sup>6</sup>

- Reconstructed or repaired shelters for approximately 25,000 households affected by the earthquake-tsunami of December 26, 2004 in NAD and Nias;
- Restored basic, small scale infrastructure in 200 affected villages; and
- A 65 percent satisfaction level among project beneficiaries and participants as measured by an independent survey.

The BRR has called for the conduct of a Mid-Term Evaluation as the Project entered its 13<sup>th</sup> month of implementation. As a general objective, the Evaluation should extract lessons learned after 13 months of implementation as well as put forward recommendations on how to move on to the next phase. .

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<sup>1</sup> World Bank, Project Appraisal Document

<sup>2</sup> World Bank Supervision Mission (January 11 to February 3, 2006) Draft Aide Memoire. The Grant Agreement between the World Bank and GOI was signed on October 20, 2005. Grant effectiveness conditions were achieved in November of the same year.

<sup>3</sup> *Ibid.*, The original targets were 200 villages, 10,000 houses of reconstruction and 15,000 for rehabilitation. These were scaled down due to price increases.

<sup>4</sup> World Bank, Project Appraisal Document

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.* Indicators a and b would have to be revised in light of the scaling down of the targeted number of housing units and villages.

## EVALUATION DESIGN

In accordance with the Terms of Reference, the Evaluation focused on the first three components of the Project, namely, shelter support grant; block grants for priority infrastructure; and project implementation support. It was guided by three evaluation criteria, presented as follows:

- Efficiency – which considered, among others, cost, time and quality;
- Effectiveness – which considered, among others, benefits gained, level of satisfaction and rate of occupancy; and
- Appropriateness or Relevance – which considered, among others, beneficiary selection, met needs, community empowerment (including vulnerable groups), environmental safeguards, community bookkeeping systems, construction safety standards, operation and maintenance, conflict resolution and transparency.

Primary data on performance indicators were gathered through the household survey. The results were used to determine whether the key indicators mentioned in the Project Results Summary are being achieved. The survey adopted a two-stage sampling methodology using the kecamatan as sampling unit at the first stage, and the household, at the second stage. Twelve kecamatan were selected at random at three kecamatan for each DMC, except in Banda Aceh where the number is doubled in consideration of it being the only city/district that was covered during the pilot phase. The kecamatan were selected from a list that categorizes them according to dominance of rural and urban villages and budget year (DIPA 2005 and DIPA 2006). Sample households were selected at random from villages with at least 40 households.

There were 1,293 households that were sampled. Most of the samples were located in DMC – 1 (56.4%). DMC – 2 and DMC – 3 samples have respective shares of 28.5 and 15.1 percent. Focus Group Discussions were also undertaken. These revolved around the three evaluation criteria with discussions at the community level. Among others, the FGD examined the community's level of awareness to and participation in the Project. The FGDs also helped to assess the community's readiness to meaningfully participate in the Project with a view towards the basic community-driven development approach. FGDs were conducted in each of the 34 villages identified in the sampling design. The participants included Kelompok Permukiman (KP) representatives and Tim Fasilitator Perumahan (Fasrum) teams. There were further two levels of key informants in order to obtain viewpoints from the community (village level) and the implementers (kecamatan level). As in the FGDs, these activities revolved around the evaluation criteria of efficiency, effectiveness and relevance/ appropriateness. The key informants were the respective Kota Koordinator (KorKot) and Kabupaten Koordinator (KorKab) and the Komite Rehabilitasi Permukiman (KERAP)/ Tim Pengelola Kegiatan (TPK) head per village.

## OVERALL PROJECT PERFORMANCE VIS-À-VIS KEY OUTCOME INDICATORS

### House Reconstruction and Rehabilitation

The first of three key outcome indicators is that the "target number of houses should have been repaired or re-built" by the end of 2006. Data from the Project's Management Information System indicate evolving targets basically modifying those established in the February 2006 Supervision Mission. The revised targets due end-December 2006 were the reconstruction of 8,420 and rehabilitation of 7,023 houses. Accomplishment as of the said date was low at only 14 percent for reconstruction and 24 percent for rehabilitation

The reconstruction of 3,990 and rehabilitation of 2,488 units have already been started according to the Provincial Management Consultant's Mid-Term Report. This represents 47 percent of reconstruction and 35 percent of rehabilitation targets which are in various stages of work. Thus,

those that have not been started yet are equivalent to 3,218 units for reconstruction and 2,821 units for rehabilitation.

The completion of the balance of all houses has been re-set to the end of March 2007 representing an adjustment of 12 weeks. Using the 12 week average period for actual reconstruction and rehabilitation work, this means that all un-started houses should have been started first week of January 2007 to meet the deadline and all pre-construction requirements finished well before that time.

#### Restoration of Basic, Small-Scale Infrastructure

The second key outcome indicator is that "target villages (should) have restored basic, small-scale infrastructure." Per the revised implementation schedule, there should have been 100 small community infrastructure projects completed by end 2006.

Not a single community infrastructure project has been started as of the said due date.

#### Beneficiary Satisfaction

The third key outcome indicator is the "evidence of beneficiary satisfaction" with a prescribed 65 percent satisfaction level<sup>7</sup> benchmark among Project beneficiaries and participants. The Evaluation tested the Project's performance vis-à-vis this indicator by measuring beneficiary satisfaction in key activities.

The results indicate a high beneficiary satisfaction level which substantially hurdle the Project's benchmark. The range is from a low of about 83 percent (satisfaction on the technical assistance being provided by the fasrum) to over 93 percent (fund disbursement of KP). The overall satisfaction (with any gains derived from Rekompak) was also measured and the rating is almost 96 percent.

### PROJECT PERFORMANCE VIS-À-VIS EVALUATION CRITERIA

#### Relevance of Project's products

The Project's products, namely, earthquake-resistant and structurally safe houses, small community infrastructure are precisely what the beneficiaries need. Under immediate post-tsunami conditions, the Project responded to the obvious need to first, provide shelter and second, to make communities livable by providing basic infrastructure. The relevance is validated by the high satisfaction levels indicated by the beneficiaries in terms of the perceived quality of the houses and the gains derived from Rekompak.

#### Appropriateness of the Project's delivery system

The Project's delivery system is anchored on the CDD approach which is a means to empower communities and thus sustain the benefits gained in the long run. The system's components, such as social preparation, capacity building, institutionalization of social and environmental safeguards, and community-based management of resources are deemed appropriate gauging from, again, the high satisfaction levels expressed by the beneficiaries.

There is, however, a need to further improve the delivery system particularly in terms of the socialization aspect. Beneficiary awareness and participation are low such as in planning activities reportedly for reasons that many were not aware of such activities. There were also many

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<sup>7</sup> Project Appraisal Document, p.4

respondents who cited the lack of confidence to join such activities which could be addressed by stronger capability building measures. There is also a relatively low level of awareness in the complaint handling system.

#### Project Efficiency in terms of time, cost and quality

- Time

The Project is substantially delayed. The elapsed time as of end December 2006 is about 62.5 percent and only 14 percent of houses have been fully reconstructed and 24 percent rehabilitated. The first set of houses were started in December 2006<sup>8</sup> resulting to a turnover rate of only about 93 units per month which is way below the originally targeted overall turnover rate of about 500. The turnover rate for rehabilitation is slightly higher at about 171<sup>9</sup> houses per month but still way below the original target of 840 houses. Further, not a single community infrastructure project has taken off the ground.

At the Project management level, the delay has been attributed to, among others, the late and unsynchronized deployment of consultants. An example of this is that to date, the DMC-4 consultant has yet to be commissioned. While this is an obvious cause of the delay, particularly at Project start-up, the Evaluation examined possible causes at the community level. It is observed that pre-construction processes are quite lengthy and it may take a grant beneficiary about two to three months before construction can commence. Construction, in turn, takes more than three months (12 weeks) to complete, hence, the cycle takes about five to six months to finish. The construction process itself is prone to delays due to a relatively low-level of skills of the supervisors and workers most of whom are household members. A key figure that emerges in this cycle is the *fasum* who plays an important role in pre-construction and construction processes. What is apparent is that the *fasum* is overburdened considering the amount of work than has to be attended to and accomplished.

The delay in community infrastructure is a result of a reported strategic move to first focus on houses as a more pressing need. The strategy appears valid especially in light of the need to afford Internally Displaced Persons permanent shelters so they can fully go on re-building their lives. However, the Project has yet to address drawbacks to this strategy such as difficult accessibility, lack of sanitary drainage systems and the possible incompatibility of road and drainage elevation to house elevation.

- Cost

The Evaluation focused on cost efficiency at the household level. It is deemed efficient in terms of construction materials as beneficiaries generally expressed satisfaction over the prices of the basic items – wood, cement, sand, gravel and steel. Information generated from field interviews indicates that the grant amounts are sufficient to complete the houses. Beneficiaries and other Project participants are, however, apprehensive that the cost of construction materials will escalate in the near future.

There is, however, a need to improve labor cost efficiency through further skills development. This will not only strengthen the present stock but also add more manpower that may meet a further increase in demand. The acceleration of the Project's housing component and implementation of community infrastructure within the next months will surely put large pressure on local labor supply.

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<sup>8</sup> The first tranche of house reconstruction grants for 510 houses were given in December 2005 and construction immediately started.

<sup>9</sup> The first tranche of house rehabilitation grants for 56 houses were given at the end of January 2006.

- Quality

The Project has achieved a certain level of efficiency in terms of ensuring the quality of houses. However, particular improvements to labor skills, material testing, and quality assurance are needed to ensure the structural integrity of houses. Field investigation and interview results indicate, for instance, that compliance with technical specifications are high in some elements (such as size of steel bars) but low in others (such as anchorage).

#### Effectiveness of Project interventions

The Project's interventions are also apparently effective inasmuch as majority (78%) of those interviewed reported that it made or is expected to make their household beneficiary better-off than before the tsunami. The magnitude of perceived improvement ranges from good (46%), very good (38%) to excellent (13%).

### CONCLUSIONS AND RECOMMENDATIONS

#### In the immediate term:

- Resolving implementation issues and problems with speed

A housing project, which is what the CSRRP essentially is and an expanded one in fact given its community-driven approach, requires a significant degree of operational planning and supervision, not just of construction itself, but of the pre-construction activities as well. This function is lodged primarily at the District Management Consultants, and secondarily, at the PMC. Organizationally, however, there is no staff provision for this critical function. The operational supervision of construction activities rests on the technical housing staff who, based on their terms of reference, focus on the delivery of houses that are within established quality specifications. The Project continues to be faced with delays in the delivery of rehabilitated and reconstructed houses due to reasons ranging from administrative to technical concerns. It is therefore recommended that an operations person be designated at the DMC and PMC levels. The operations person, in consultation with the housing experts, will take appropriate action to address operational problems. A detailed terms of reference needs to be drawn for this position.

- Raising the level of awareness of community members on Project implementation policies, systems and procedures

Limited access to correct information makes the household-beneficiaries of the CSRRP vulnerable to internal and external manipulations that could lead to misuse of grant funds and, eventually, reduced benefits for them. Although the Project Management Unit, PMC and the DMCs continue to implement socialization measures, these are not sufficient (in terms of frequency and degree of saturation) to avoid the incidence of corruption. It is recommended that the PMC and the DMCs jointly implement: (a) the conduct of focus group discussions with a group of up to three KPs per batch focusing on KPs that are still in the early stage of implementation; (b) a massive information campaign that would include, in addition to newspaper advertisements and posters, the distribution of leaflets or comics type materials that feature, for example, how connivance with project stakeholders or deviations from prescribed design specifications could negatively impact on the lives of household-beneficiaries.

- Involving community members and KPs in the monitoring of financial and physical progress of implementation

Community empowerment could be further enhanced with stronger involvement of the KPs and community members in monitoring activities. One scheme that could be tested for possible

adoption is the creation in each village of a three-member monitoring team consisting of a representative from a KP, a Non-Government Organization, and a reputable member of the community. Using a simple, one-page data collection form, the three-member monitoring team will visit each KP, interact with the KP members, and make an ocular inspection of houses under construction.

- Immediate mobilization of technical auditors

The incidence of non-compliance with prescribed technical specifications appears to be low in many instances, but in principle, tolerance ought to be zero where the lives of humans are at stake. In the CSRRP's design, this principle is reflected in the provision for the conduct of technical audits to ensure compliance with prescribed technical specifications for earthquake-safe dwellings. However, technical auditors have not been mobilized.

#### In the medium term

- Addressing sustainability concerns

The beneficiaries have expressed their satisfaction over the assistance provided under CSRRP at a level that is way above the targeted 65 percent. The challenge is in ensuring that the positive gains are sustained within the life of the Project and beyond. The evaluation team recommends that as part of the community-driven approach, the PMC initiate work toward the preparation of KP level sustainability plans for the operation and maintenance of both housing facilities and community infrastructure.

#### In the long term

- Incorporating a livelihood component into emergency response housing projects

A general school of thought is that assistance to livelihood does not augur well with infrastructure delivery for social services during emergency situations, and one example is the building and rebuilding of houses. The community-driven approach to CSRRP implementation, however, continues to gain lessons and experiences that could be honed for possible application to complementary interventions such as the provision of livelihood activities. Natural disasters cause displacement not only in the local economy, but more importantly, in the economic activities of individual households. Emergency response in terms of food aid is extremely necessary, but a gradual shift from food aid to a more sustainable form of assistance like livelihood has far reaching effects. The idea of introducing livelihood assistance to CSRRP beneficiaries was also raised by some participants to the focus group discussions. It is therefore recommended that the PMC, in consultation with the DMCs, prepare an exploratory study of incorporating livelihood activities into emergency response housing projects.