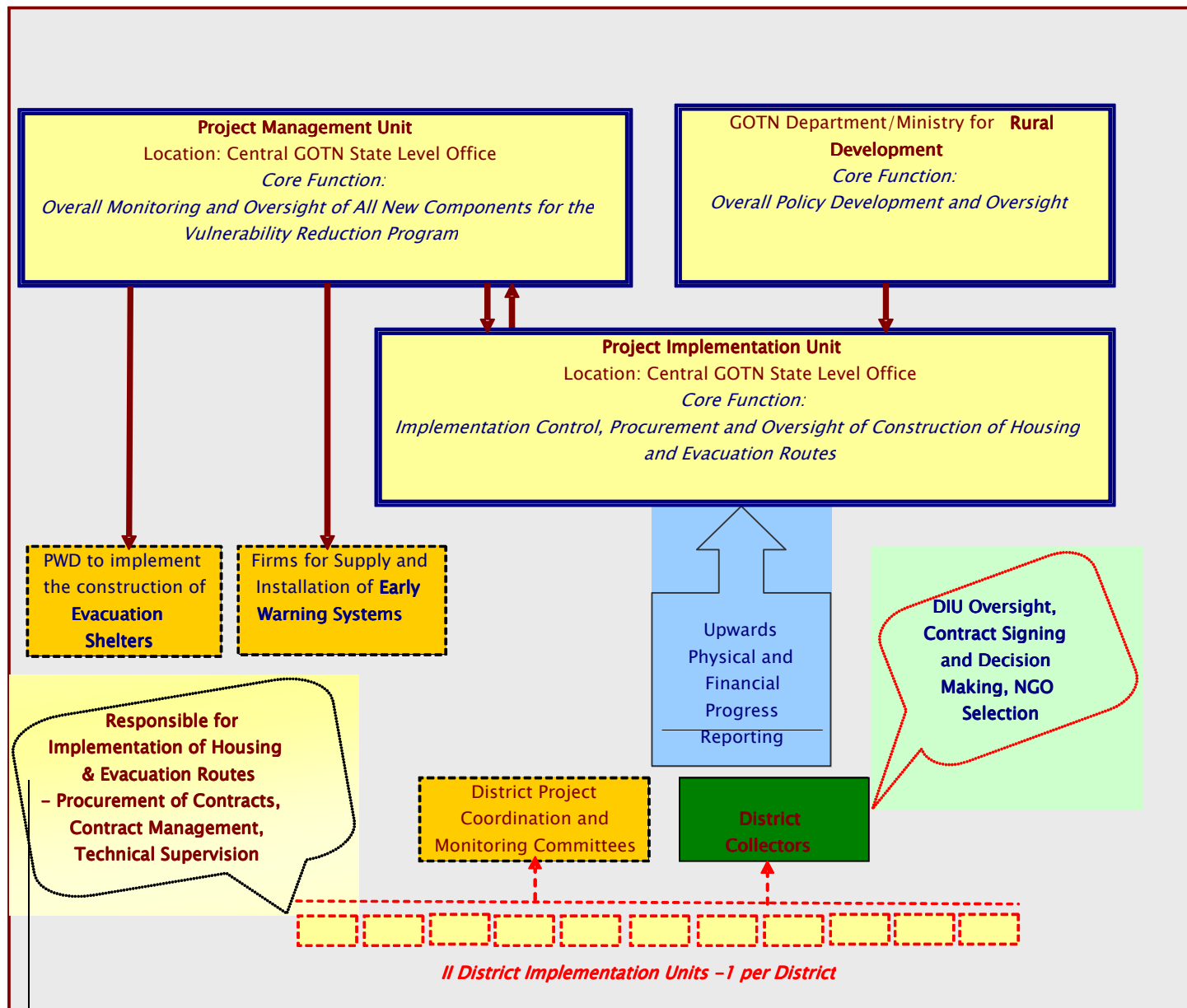


**Project Implementation Plan for World Bank aided Emergency Tsunami
Reconstruction Project - Credit No. 4054-IN**

I. The Project Implementation arrangement is as follows



Respective

Strategic Approach

1. *Implementation Approach – Under the original project arrangements, an ‘owner-driven’ approach was envisaged for housing reconstruction, through community Self-Help Groups (SHGs) and a public-civil society collaborative framework. However subsequently, this assumed the nature of a civil society driven reconstruction process, which while closer to the owner-driven model, had its shortcomings, primarily insufficient and inadequate NGO capacity in engineering-technical aspects. In the case of the proposed new housing reconstruction component under this restructuring proposal, a more flexible, hybrid approach is recommended, whereby NGOs will be involved only for beneficiary validation and facilitation purposes, while reconstruction shall be carried out through contractors procured by the Project through District Implementation Units. This improvisation in the implementation approach for the new housing reconstruction component is necessitated by the reluctance and inability of the targeted communities to dedicate sufficient time for the reconstruction and intensive supervision of their new houses¹. The new houses shall therefore be constructed using a contractor model, while maximizing the inclusion of essential elements of owner-driven reconstruction. These include strategic elements such as: (a) community inclusiveness and consultations at all stages of the project; (b) independent revalidation of beneficiary selection and eligibility through NGOs, thereby separating the roles of consultation and implementation; (c) efficient and localized grievance redress mechanisms; (d) dedicated “information, education and consultation” (IEC) campaigns at various stages of the project; (e) consultation and transparency mechanisms, particularly including the involvement of beneficiaries in the finalization of housing designs and independent oversight/supervision of the quality of construction, and (f) third party quality audit and social monitoring.*
 2. *More Inclusive and Participatory Project Implementation – Since most of the targeted beneficiaries/families are inadequately empowered and lack the ability to intermediate with builders/ private contractors, a third party/NGO intermediation is essential to make the housing building process more participatory. In this respect, the GoTN has formulated a comprehensive housing assistance policy to determine the beneficiary entitlements and, is in the process of developing operational procedures towards the implementation of the new project components, importantly including processes for beneficiary inclusion, consultations and effective community grievance redress systems.*
 3. *Moreover, the implementation of a flexible contract model would entail variability in house design and readiness of beneficiaries to handover the sites to the contractors on time. Therefore, a blended homeowner and decentralized private contracting approach has been agreed with GoTN that ensures implementation flexibility in terms of essentially incorporating beneficiary choices of house design. Beneficiaries will be helped by NGOs to interface with both contractors and the District Implementing Units (DIUs), to help translate beneficiary choices into design parameters, while remaining within the overall ceilings of plinth area*
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and fixed costs per unit for the project, following a mechanism of a mutual three party agreement involving beneficiary, NGO and the DIU.

- 4. Clear Delineation between Bank and GoTN Financed Housing Programs, but with broad uniformity of approach – An understanding of clear delineation exists between the Bank and GoTN, vis-à-vis the proposed new housing component (200-1000m) of the Project and the GoI-financed 0-200m housing program. Bank's fiduciary safeguards, social, environmental and others policies will fully apply to the housing component under the Bank-financed restructured project as outlined in the Environmental and Social Management Framework (ESMF).*
- 5. Clarity on Land Ownership Issues – All eligible families in the project area, falling under the definition of vulnerable houses under the Government Housing Policy, will be entitled to have their houses reconstructed under the project.*

Implementation Arrangements

- 1. For the new project components, the existing implementation arrangements shall be followed, with the requisite improvements and enhancements agreed with GoTN (refer Attachment I for a graphic illustration of the overall implementation arrangements and broad functions of the respective implementing agencies). These are briefly described below, while a more detailed description including the roles and responsibilities of various agencies and departments is included in the Operational Manual for the New Project Component (VRCC).*
- 2. Overall Institutional Arrangements – For the new project components of reconstruction of houses and construction of evacuation routes, the overall project executing agency shall be the Rural Development and Panchayati Raj Department, GoTN. The PIU and DIU established by the RD & PRD at the State and District levels would design and implement the project including contract management, supervision, progress monitoring, NGO oversight and reporting. The project will be primarily implemented through a decentralized framework with the respective District Collectors taking responsibility for the district-level oversight and monitoring of the project. The DIUs would support the District Collectors in technical supervision, contract management, NGO oversight, project monitoring and reporting. The project implementation would be supported by the Project Management Unit, State level PIU, District Collectors, DIUs and NGOs procured to support the district project functionaries in social auditing, community participation and affecting/monitoring changes.*
- 3. The implementing agency responsible for the procurement and management of the construction of evacuation shelters will be the PWD. The **Joint Commissioner (Disaster Management and Mitigation) in the commissionerate of the Revenue Administration** shall provide management oversight for the planning, design and location of evacuation shelters and procurement and establishment of the early warning facilities including early warning equipment. The construction of evacuation routes shall be the responsibility of the Panchayati Raj and Rural Development Department. The PMU shall ensure the coordinated implementation of the construction of evacuation shelters, establishment of early*

warning systems and construction of evacuation routes between the Revenue Department and the Panchayati Raj and Rural Development Department.

C) Procurement

- 1. This section summarizes key procurement issues, relaxations obtained in respect of certain project sub-components, overall prior review requirements/procedures and the responsible procurement agencies. It also summarizes the procurement capacity enhancements agreed between the Bank and GoI/GoTN. Detailed procurement requirements and modalities agreed between the Bank and GoI/GoTN are provided in the Operational Manual for the New Project Component (VRCC).*
- 2. Applicable Procurement Guidelines – Procurement for the proposed component of the project would be carried out in accordance with the World Bank's, "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, Revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006, Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, October 2006 and the provisions stipulated in the Legal Agreement. A detailed Procurement Plan for this component of the project is prepared and will be updated at least annually or as required to reflect the actual project implementation needs.*
- 3. Procurement Modifications for New Sub-component (Housing) – All Works Contracts in respect of the new project sub-components, including housing reconstruction, will be procured through National Competitive Bidding (NCB) procedures. GoTN has requested certain procurement modifications, which have been approved by the Bank. These include aspects such as lowering qualification criteria for bidders, permission for first re-bidding without Bank clearance, and permission to seek extension of bid validity periods for a period of 3 months. The details of these changes are as below:*
 - (i) The annual turn over criteria can be reduced to 50% of the estimated contract value in one year in the last 5 years instead of two times in two years as specified in W-2 (ITB clause 4.5 A. (a)).*
 - (ii) The criteria on value of single civil work to have been satisfactorily completed can be fixed at 30% of estimated value instead of 80% stated in W2 (ITB clause 4.5 A. (b))*
 - (iii) The criteria of minimum quantities of works can be removed instead of suggested 80% in W-2 (ITB clause 4.5 A (c)).*
 - (iv) Liquid assets and/or availability of credit facilities could be equivalent of cash flow for 2 months in peak construction period instead of suggested 3 months W-2 (ITB clause 4.5 B (c)).*
 - (v) One time extension of bid validity can be sought for a maximum period of 90 days without prior concurrence of the Bank, however all subsequent request for extension irrespective of period shall be with prior concurrence of the Bank*

(such concurrence will be considered by the Bank, only in cases of Force Majeure and circumstances beyond the control of Government).

- (vi) Rebidding can be carried out without the concurrence of the Bank only in cases where the Notice Inviting Tender elicits no response. GoTN would however document such cases through a summary analysis of reasons of no bids and corrective measures that they have taken before inviting new bids and report to the Bank on a quarterly basis.*

4. Prior Review Requirements – The first contract of goods and works to be procured by each DIU and first two contracts each of goods and works to be procured by remaining implementing agencies ie; PMU, PIU, RD & PRD, PWD etc. following NCB procedures, irrespective of the value; all contracts for goods and works procured following ICB; all contracts for works estimated to cost US\$5million and above, and; all contracts of goods and works awarded on Direct Contracting basis, will be subject to prior review by the Bank. Consultancy contracts to be awarded to firms and estimated to cost US\$200,000 or more, and contracts awarded to individuals and estimated to cost US\$100,000 or more, will also be subject to prior review. Hiring of individual consultant for PIU Managers, Procurement Consultants, Inspection agents and legal advisors are subject to prior review, irrespective of the contract value. Further, all sole source contracts to firms will also be subject to prior review. All other procurements will be subject to post review.

5. Procurement Agencies and Additional Procurement Support – Procurement under the component will be carried out by the following Implementing Agencies of GoTN including the Rural Development and Panchayati Raj Department (RD & PRD), the Public Works Department (Buildings), the Project Management Unit (PMU), the Project Implementation Unit (PIU), and the District Implementation Units (DIUs). Though RD & PRD was an implementing agency in the existing components of the projects, no substantial procurement activities have been handled by them under ETRP. In order to enhance the capacity of the agency, a set of actions have been agreed such as the engagement of a Procurement Support Agency (PSA) or individual consultants/specialists, with the responsibility to prepare bid documents, issue IFB, and prepare evaluation reports for approval by the concerned Government department depending upon the value of the contract.

II. The project consists of the following components

Part A: Housing Reconstruction

1. Building transit shelters for tsunami affected families for the purpose of providing temporary accommodation until completion of construction/reconstruction of houses under paragraph 2 of this Part A, and upgradation of services in the existing temporary shelter sites.

2. (A) Carrying out: (i) repair and reconstruction of houses which have been damaged or destroyed by the tsunami; and (ii) construction of new houses in resettlement areas; through, inter alia, the Beneficiaries, public construction, Self-help Groups and public-private partnerships; (B) provision of facilities and amenities related

to housing repair, construction and reconstruction, comprising, inter-alia, access roads, internal roads, water connections, latrines, storm drains, electrification, rainwater harvesting structure, and other community infrastructure facilities; and (C) provision of ready built houses for housing and relocation of the Beneficiaries in and around Chennai.

3. Resettlement of project affected families through, inter alia, construction of new houses and provision of related facilities and amenities as set forth in paragraph 2 above of this Part A.

Part B: Restoration of Livelihood

1. Carrying out a program to revitalize the livelihoods of tsunami affected families engaged in the fisheries sector including: (a) restoration of damaged fisheries infrastructure through, inter alia, repair of harbours, repair or acquisition of patrol boats, clearing of bar mouth and estuaries, and provision of aqua culture infrastructure; and (b) re-establishment of safety-at-sea systems and services.

2. Carrying out a program to revitalize the livelihoods of tsunami affected families engaged in agriculture, horticulture and livestock through, inter alia, (a) restoration of damaged agricultural and horticultural lands, farm ponds, and dug wells; (b) repair and reconstruction of damaged infrastructure and upgradation of veterinary care services; and (c) promotion of sustainable management of coastal land and water resources.

Part C: Public Buildings and Public Works

1. Carrying out a program of repair, reconstruction and upgradation of damaged hospitals, public health centers/sub-centers, educational institutions, cyclone shelters and other public buildings and public works.

2. Restoration of damaged river and drain banks, and plantation/replantation of mangrove and shelter belts.

Part D: Technical Assistance and Training

1. Carrying out a program to strengthen the institutional capacity of the Project States and other entities involved in the implementation of the Project.

2. Carrying out a program of technical assistance and capacity building for housing reconstruction in the Tsunami Affected Areas including preparation of detailed project reports, land management, resettlement planning and land use zoning and demarcation, and for training of masons.

3. Carrying out a program for: (A) engaging the tsunami affected communities, especially the most vulnerable groups, in planning, deciding and implementing the housing reconstruction program and the livelihood restoration program; and (B) developing and strengthening mechanisms for communication, transparency and grievance redress.

4. *Provision of technical assistance for strengthening the capacity of the Project States in the areas of preparation of social and environmental management plans, and updating the management plans under the Coastal Regulation Zone Notification.*

5. *Carrying out studies for assessment of the vulnerabilities and longer term issues and the needs associated with coastal zone protection and hazard risk management, and especially the vulnerabilities with Nagapattinam district in Tamil Nadu and Karaikal region of Puducherry.*

6. *(A) Carrying out studies for: (i) developing fisheries policy; and (ii) identifying possible new forms of livelihood support in coastal villages and training programs required for undertaking such new forms of livelihood support; and (B) conducting training programs so identified.*

Part E: Implementation Support

1. *Carrying out a program to assist the Project States in project management and supervision through, inter alia, undertaking technical and financial audits, quality assurance reviews, and continuous environmental and social assessment.*

2. *Provision of staffing, office equipment, furniture and vehicles, and carrying out of communication activities and general office administration to assist in implementing the Project.*