



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/21/2000	
<b>PROJ ID:</b> P038695		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Mascara Emergency Reconstruction Project	<b>Project Costs (US\$M)</b>	83.60	41.10
<b>Country:</b> Algeria	<b>Loan/Credit (US\$M)</b>	51.0	31.7
<b>Sector(s):</b> Other Urban Development	<b>Cofinancing (US\$M)</b>	0	0
<b>L/C Number:</b> L3813			
	<b>Board Approval (FY)</b>		95
<b>Partners involved :</b>	<b>Closing Date</b>	12/31/1998	12/31/1999
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>

**2. Project Objectives and Components**

**a. Objectives**  
A devastating earthquake (magnitude 5.6 Richter) struck mountainous Mascara on August 18, 1994, leaving 172 deaths, 295 severely injured and 10,000 homeless. An assessment done during preparation identified 1,400 destroyed and 1,000 severely damaged public and private buildings. Basic infrastructure suffered major damage, and agricultural production dropped due to road network interruptions. The Bank's assistance strategy was part of a broader effort by Algeria's external partners to ease the debt service burden, and contribute to greater stability. The project objective was to rebuild damaged economic, social and physical assets in the shortest possible time. Activities focused on short-term emergency capabilities enhancement, medium-term reconstruction and long-term vulnerability reduction and the promotion of economic recovery.

**b. Components**  
The project comprised the following sectors, :

- education: schools reconstruction and repair (US\$2.7 million);
- housing: temporary steel structures to be provided to the homeless, reconstruction and repair damaged houses and public buildings (US\$55.7 million);
- agriculture: repairs to irrigation systems, and reforestation (\$3.1 million);
- public health: health and maternity centers rebuilt and/or repaired (US\$1.2 million);
- transport: rehabilitation of 23 km on National Road 17 and various repair works (US\$11.4 million);
- water supply and sewerage: rebuild water and sewer networks, construct new networks and treatment facilities, and use waste water in irrigation (US\$7.8 million).
- Studies (earthquake mitigation, risk mapping, zoning, building codes), a public awareness program on natural disasters (US\$1.5 million); and women and childrens' social needs (US\$0.2 million).

**c. Comments on Project Cost, Financing and Dates**  
Total project cost including contingencies was estimated at US\$83.6 million. The loan was in the amount of US\$51.0 million. The balance of the project costs were to be financed by the Government. The project was approved by the Board on December 1, 1994. Major changes in project costs occurred. The Algerian Dinar dropped about 80 percent in dollar terms between appraisal and completion--since all contracts were expressed in Dinars at fixed prices, they became less costly in terms of dollars. About US\$4.8 million of the loan proceeds were sub-loans to individual homeowners through the *Banque de Développement Local*. Significant implementation delays occurred and the project closing date had to be postponed by one year, to December 31, 1999.

**3. Achievement of Relevant Objectives:**  
The project expeditiously restored economic, social, and physical assets destroyed by the earthquake, and assisted the authorities in setting up an effective organization to manage the reconstruction program. It developed vulnerability-reducing measures for seismic damage prevention and mitigation, and it proved

very successful in using small local building contractors who were contracted following simplified procedures. However, decreases in oil prices limited the availability of counterpart funds.

**4. Significant Outcomes/Impacts:**

The Government's response was very quick, public agencies installed a thousand temporary shelters (tents) and distributed emergency rations to the affected population within two days of the quake. During the next few days. Average construction costs were much lower than expected, and it was possible to increase the number of dwelling units that were rebuilt or repaired by more than 13 percent.

**5. Significant Shortcomings (including non-compliance with safeguard policies):**

While civil disturbances and killing of civilians were foreseen during project appraisal, these had a much larger impact than anticipated, restricting bidding to local contractors, delaying construction activities, and preventing Bank supervision missions from going to the field. Actual damages were overestimated at appraisal. The steel structures that the Government bought and erected as temporary shelters before project appraisal were a waste of scarce resources and not appreciated by the disaster victims.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Modest	Modest	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

**7. Lessons of Broad Applicability:**

- OED has long suggested that emergency projects (ERLs) should allow for a longer implementation period than three years so that vulnerability reducing activities and improved disaster management practices can take hold. In this case, in spite of appraisal expectation for a three-year implementation, the project took 46 months to completion.
- It is essential to obtain an independent and technically credible assessment of the extent of the damages and an estimate of the reconstruction costs involved.
- Mutual assistance and self-help among people affected by any major catastrophe is normal. It should be anticipated, and it should be enhanced by activities within the project specifically designed to increase social resilience.
- Expensive temporary shelter should not be financed under Bank projects unless weather conditions are life-threatening. People are able to provide themselves with adequate temporary shelter using materials from damaged buildings, and families that did not lose their dwellings take friends and relatives in.
- The Bank should require that the PIU director and his staff be thoroughly familiar with its procurement and disbursement procedures before project launching and following changes in the project management.
- Given the evolving needs of disaster victims, there is a need for highly flexible disbursement procedures following an emergency, without sacrificing proper diligence and control.
- Given that since appraisal, the country has experienced political turmoil and terrorism, making it unsafe to travel, the use of project management software would have helped the PIU to prepare its periodic reports on time and provided officials with a detailed account of the project status at any point in time. As it happened, this information was incomplete, and mostly out-of-date.
- If, for any security reason, supervision teams cannot make site visits for a certain period of time, the Bank should consider suspending disbursements, if there is a doubt that disbursements are not properly made or that project implementation is not progressing as expected.
- Provision for proper maintenance of assets financed by the project should be a concern of the PIU long before the completion of each component.

**8. Assessment Recommended?** ● Yes ○ No

**Why?** Project experience would inform the forthcoming OED study on post-disaster lending.

**9. Comments on Quality of ICR:**

The ICR is of satisfactory quality. Its discussion of the project's shortcomings is frank and the identification of broadly

applicable lessons is thorough.

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