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**Disaster Recovery Guidance Series**

# Housing and Settlements Recovery

## Contributors

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## Introduction: Making the Right Decisions for Successful Housing Recovery

Housing is often the sector most affected by a disaster. Even though housing is a private good in most countries, the economic and social benefits of housing recovery justify government involvement. Government support is especially important when households are poor and have no access to insurance or other means for recovery.

This Housing and Settlements Guidance Note has been prepared to assist governments confronting the challenge of housing and settlements recovery after a major disaster. It aims to increase the efficiency and effectiveness and ultimately improve the outcome of housing recovery programs.

Government leadership in the months following the disaster will determine whether housing recovery is timely and whether disaster-affected households are safer and stable afterward. The Note demonstrates and provides examples of how key decisions on policy, planning, financial management, and implementation contribute to development of a Housing Sector Recovery Plan and successful housing recovery.<sup>1</sup>

***“Housing recovery” is not just about houses. It is a broad goal that includes recovery of settlements and recovery in other sectors that are generally the responsibility of the government, such as transportation and education.***

<sup>1</sup> The issues covered by this Note apply to all post-disaster housing recovery situations, although the context will influence the specific recovery strategy. The recommendations are particularly relevant for rural housing and owner-occupied urban housing on individual plots of land. Housing recovery approaches in highly urbanized contexts are discussed in an addendum to this note available on the GFDRR Recovery Hub at [www.gfdr.org/recovery-hub](http://www.gfdr.org/recovery-hub).

## Address Immediate Needs and Demands

Even before a Housing Sector Recovery Plan is in place, the government has important roles in facilitating housing recovery. These include providing information to the affected population and guiding the early stages of the housing recovery process.

### Announce an Interim Housing Strategy

Immediately after a disaster, the affected population needs to understand its short-term housing options. Minimizing the time families spend in emergency shelters is advisable, but doing this requires providing ready access to robust temporary or transitional shelter options.

The government should announce an interim strategy that reflects input from those affected, including women and vulnerable groups. The best interim solutions allow households to maintain social ties by remaining in their original communities while limiting their exposure to risk.

The government can encourage households to construct interim shelter solutions by providing guidelines and cash or by distributing building materials if markets are not functioning. Not all interim solutions involve repairs or construction; offering rental subsidies or compensating host families are other viable options. People are likely to occupy interim housing longer than expected. Monitor living conditions to determine whether continuing financial or material support is required until permanent solutions are available.

### Coordinate with Humanitarian Shelter Agencies

Emergency and humanitarian agencies offer a range of shelter solutions, depending on agency judgment and the availability of materials. But humanitarian shelter operations can affect the pace and cost of long-term housing recovery. Therefore, the government should reach an early agreement with humanitarian agencies on the humanitarian shelter strategy.

The use of humanitarian funding is a concern. Providing tents may be faster and cheaper at first than distributing building materials such as corrugated iron sheets. But building materials can be used in more permanent reconstruction, whereas tents will need to be continuously replaced. Disparities in the agency assistance packages can create social tensions and are best kept to a minimum. Funding safety measures for women and girls is a priority.

Other concerns include how affected households are identified and where they receive assistance. Registering affected households and distributing goods to them in displacement camps (rather than in neighborhoods) is convenient for agencies, but it can encourage households to relocate to camps when they might be better off staying near home. Also, consider asking humanitarian agencies to use an established identification system, such as the national ID number, for individuals and households. Doing so will facilitate beneficiary tracking by the government when humanitarian operations wind down. If the UN OCHA cluster system is activated, the Shelter Cluster lead agency is often the prime contact for the government on these issues.



Photo credit: ADB

## Communicate with the Affected Population

Communicating frequently and honestly with the affected population is one of the government's most important functions following a disaster. Design a communications strategy based on two-way communications that gives the affected population and other stakeholders a voice and that tailors messages to males and females and adults and youth.

Verify whether people receive and understand the messages; if this is not the case, adjust the media or the messaging.

Governments frequently over-commit before having reliable estimates of damage and available funding. This can put the government in a defensive position later when the facts become clearer. The best early message from the government about housing recovery is simply "We will do this together." This is followed by continuous updates as plans are developed, implementation arrangements are put in place, and recovery progresses.

## Support Household Self-Recovery

Housing reconstruction begins the day of the disaster. Self-recovery—using household resources, salvaged materials, and community labor—is the driving force behind most repair and reconstruction, whether for temporary shelter or permanent housing. Left on their own, most households will recover within two years. The results, however, will not be optimal and vulnerable households may be left behind.

The government can encourage self-recovery in various ways: (a) removing debris from streets and building sites; (b) providing training and technical assistance in communities to both men and women; and (c) providing financial incentives. Social and traditional media can be used to explain safe building practices for interim and permanent housing. A simple, effective strategy is to disseminate guides on safe construction practices directly to builders and affected households as soon as possible after a disaster. Guides should be written for all literacy levels.

## Organize the Housing Recovery Effort

Developing a housing recovery program requires myriad decisions on topics such as the following.

- Data gathering and analysis
- Policies and principles to guide the housing recovery effort
- Institutional and legal arrangements to manage housing recovery
- Planning framework and approach
- Sources of financing and means of delivering funds
- Implementation approaches
- No approach to housing recovery is best in every situation, even in the same country. Successful programs apply good practices, but often in unique ways.

### Gather Baseline Information and Damage Data

Good data help government and partners target their efforts and estimate financial requirements. Because assistance goes to households, not housing units, data on both households and housing are required. The following data are needed:

- Housing and infrastructure condition (using a typology of damage developed ex-ante)
- Socio-economic information on households, including gender-disaggregated data
- Land ownership and occupancy
- Risk information for settlements and housing sites

Preliminary data can be used the early stages of recovery policy making and planning. But as more information becomes available, these early decisions should be validated.

- Use satellite imagery, geospatial data, and crowd-sourcing from localities and partners to gather initial estimates of disaster impact.
- Launch a post-disaster assessment to collect sector- and location-specific data on damage and needs.
- Mobilize other data such as national census data, registries of public assets, risk maps, and local development plans, and make them publicly available in line with the “open data” approach.
- Conduct a house-to-house condition survey to gather detailed data useful for planning recovery and for qualifying beneficiary households. The training and survey experience also create a cadre of local engineers and social mobilizers well-versed in local building practices and risk reduction.
- Develop and disseminate reconstruction standards and core house designs.

### Establish Recovery Policies and Principles

“Housing” recovery involves more than just rebuilding houses. Full recovery integrates the recovery of housing with the restoration of settlements, local services, safety, and social and economic conditions. Clear policies and strong coordination with other sectors will help to ensure an integrated approach to recovery.

#### *Define Goals and Principles for Housing Recovery*

The primary goal of housing recovery is to rehouse affected households in satisfactory conditions in a reasonable period of time. Governments may establish more ambitious goals, such as improving the layout of

settlements, increasing the level of services, or expanding livelihood opportunities.<sup>2</sup>

- Recovery principles are rules or beliefs that underpin the recovery effort; for instance, that outcomes should be equitable, or that the affected population must have a voice. Ask development partners to respect goals and principles established by the government while designing their recovery interventions.
- The recovery effort will affect future generations, so think strategically. Identify how to leave the country more resilient and capable of facing future disasters and climate-related events. For instance, promote practices for reconstruction and risk reduction that use local materials sustainably.

### **Identify Recovery Policies**

Post-disaster recovery policies start with established development policies and strategies and adapt (or augment) them to reflect post-disaster conditions.

- Existing policy frameworks and systems for affordable housing, decentralization, risk reduction, urban development, social protection, and safe construction, among others, should be applied in recovery. For instance, if fiscal decentralization is established policy, decentralize recovery as well and channel recovery funds to local governments using the intergovernmental transfer systems.
- “Building Back Better (BBB)” is often adopted as reconstruction policy. BBB can mean many things in recovery, but at a minimum it means reducing vulnerability to future disasters and building community capacity to reduce vulnerabilities and address future shocks.



Photo credit: Laxmi Prasad Ngakhushi/UNDP Nepal

### **Make Disaster Risk Reduction a Priority**

Recovery creates many opportunities to reduce exposure to hazards through improved construction and other means. Promoting disaster risk reduction (DRR) through reconstruction policies and plans is best practice.

- Training builders to comply with standards is a relatively low-cost activity with large payoffs in risk reduction. Building model houses and educating heads of households also have important benefits.
- Relocating households is a DRR strategy that is often considered following a disaster. While relocation is sometimes necessary, it can be disruptive for households and complicated to execute, and therefore is a last resort.
- Risk reduction is never absolute; developing the DRR strategy can mean making difficult trade-offs between the resources available and the level of risk acceptable to a community.

<sup>2</sup> Visit the GFDRR Recovery Hub for more information on livelihoods recovery and other recovery topics, <http://gfdr.org/recovery-hub>.

### ***Determine the Role of Government***

The role of government affects many aspects of the recovery plan. Consequently, this should be an early decision. The government cannot do everything on its own. Therefore, it needs to establish a governance framework that aligns and maximizes the efforts of partners. It can do this by:

- Organizing assessments
- Coordinating levels of government and partners
- Mobilizing funding and holding a donor's conference
- Financing subsidies and carrying out infrastructure projects
- Ensuring the delivery of training and technical assistance
- Issuing regulations and standards, and supporting compliance
- Monitoring and ensuring the delivery of results

Even though it is urgent for people to be rehoused, it is rarely advisable for the

government to build housing. Instead, it should support owners to reconstruct or repair their own housing, while ensuring that vulnerable households have extra assistance, if needed.

### **Put an Institutional Framework in Place**

The institutional framework defines the roles and responsibilities of government and partners involved in housing recovery and provides the governance structure for their work. This includes defining the laws and regulations applicable to recovery.

### ***Create an Organizational Structure within Government***

Countries successfully manage major housing recovery programs with different organizational arrangements at the national, sector, and local levels. Determining central government's roles is the first step in this process, but there are several other decisions to make, as shown in the following Table.

**Table: Deciding on an Original Structure**

<b>Critical Functions</b>	<b>Key Question on Organizational Structure</b>
<b>Recovery mandate</b>	<ul style="list-style-type: none"> <li>■ Will a new organization be created?</li> <li>■ Will it manage all recovery or just housing sector recovery?</li> <li>■ Will it coordinate recovery, implement projects, or do both?</li> </ul>
<b>Role of ministries, other levels of government, and affected communities</b>	<ul style="list-style-type: none"> <li>■ What is the relationship of ministries to the new organization?</li> <li>■ How will ministries, local governments, and affected communities be involved in policy making, planning, coordination, technical assistance, and direct implementation?</li> </ul>
<b>Mobilization and management of recovery funding</b>	<ul style="list-style-type: none"> <li>■ Which agency will raise and manage housing recovery funds?</li> <li>■ Which agencies will prepare, approve, and monitor budgets?</li> </ul>
<b>Monitoring of progress and results</b>	<ul style="list-style-type: none"> <li>■ Which entities will manage the system to monitor and to report on the recovery process?</li> <li>■ Which entity will ensure transparency and accountability to stakeholders?</li> </ul>



### **Modify Rules and Regulations**

Laws, regulations, and procedures may need to be revised to facilitate reconstruction. This could mean loosening some requirements and strengthening others. Flexibility in budget approval, procurement, environmental rules, or importation of materials can reduce reconstruction bottlenecks. In addition:

- To accelerate project delivery, governments can shorten bid response times and delegate more approval authority. Having communities implement small infrastructure projects can be effective, but may also require procurement changes.
- Strengthening the building codes is always demanded after a disaster. However, it is usually the enforcement systems that are inadequate, not the building codes. The government can promote voluntary compliance with construction standards while building additional enforcement capacity.<sup>3</sup>
- Safe reconstruction may require changes in (or stronger enforcement of) regulations related to land use using special permits, changes in zoning, or direct interventions such as relocation.

### **Engage with Stakeholders and Partners**

Stakeholders are those who stand to gain or lose from housing recovery, including land owners, business owners, households (both affected and non-affected), and local organizations. Partners are individuals and organizations offering support to the recovery effort from the private sector (for example, corporations and professional associations) and non-governmental sector (for example, international and national NGOs, religious institutions, and foundations).

- Stakeholders can assist with the recovery process or in some cases undermine it, so identifying them early and establishing two-way communication with them is well worth the effort. A useful tool is stakeholder analysis.<sup>4</sup>
- Experienced partners bring valuable financial, technical, and human resources to the table; but it is reasonable for governments to set the terms of their involvement, for instance, by registering them and signing memoranda of understanding that describe activities and document commitments.
- Coordination platforms can be used at both the central and local levels to ensure that partner activities are coherent with government policies, plans, and institutional arrangements.

### **Empower Local Institutions**

Post-disaster housing recovery is usually more successful when led from the local level. Local governments and local nongovernmental organizations, community-based organizations, women's groups, religious institutions, and the private sector know local housing culture and practices. They may organize for recovery even before national assistance arrives.

- Local actors can conduct initial housing assessments and assist in finding interim housing solutions.
- With sufficient resources, local actors can establish technical assistance and training centers, mobilize inspection teams, and facilitate community-driven housing and infrastructure reconstruction projects. To ensure local capacity is adequate and standards are followed, oversight of local efforts by the lead recovery agency is essential.

<sup>3</sup> World Bank, *Building Regulation for Resilience: Managing Risks for Safer Cities* (Washington, DC: World Bank, 2015).

<sup>4</sup> See World Bank, "Social Accountability E-Guide: A Step-by-Step Approach to Integrating Social Accountability into Projects" web site at <https://saeguide.worldbank.org/>.

## Prepare the Housing Sector Recovery Plan

The Housing Sector Recovery Plan is the vehicle for reconciling goals, principles, and policy decisions with the findings of assessments, the availability of financial resources, and the preferences of affected households, local governments, relevant sector ministries, stakeholders, and partners. It also explains the operational systems and tools to be used in implementation.

- Involve relevant officials in planning housing recovery, even if their agency mandates do not cover disasters. This connects recovery policy and development policy and builds agency commitment to risk reduction.
- Recovery plans in such sectors as education, energy, health, and transportation will affect housing recovery. It is important to consult with those responsible for sector plans while preparing the Housing Sector Recovery Plan.

### *Prepare for Local Level Impacts of Recovery*

Housing reconstruction can contribute to strategic local development goals if local officials are empowered and if local land-use plans and urban plans are respected. Without this, recovery can produce sprawl, reconstruction in unsafe locations, or new housing with inadequate services.

- While reconstruction is being planned, provide technical assistance to local governments to update local plans and hazard maps.
- Charge local officials with approval and oversight of housing recovery initiatives in their jurisdictions so that projects contribute to the local vision of development and meet local requirements.

## Mobilize and Channel Financial Resources

In financing housing recovery, government's principal tasks are: (a) raising funds, (b) channeling funds to beneficiaries (individuals and agencies), and (c) accounting for and reporting on their use. The financing plan should support recovery goals, but use conservative estimates of available resources. Managing recovery finances also requires balancing the conflicting demands for speed and transparency.

### *Estimate Financial Need*

The financial requirement for housing recovery is a function of the disaster impact and the financial assistance strategy. The following key questions provide the basis for estimating financial requirements.

**Table: Key Questions on the Disaster Impact**

<b>Key question</b>	<b>Considerations</b>
<b>What is the overall impact of the disaster on housing and settlements?</b>	<p>The full cost includes damage to housing, settlements, and local infrastructure as well as to health, education, religious, and cultural facilities, and corresponding needs.</p> <p>The post-disaster assessment provides broad estimates of damage and needs by sector and region. A housing survey categorizes the damage to and geo-locates each structure.</p>
<b>What are the characteristics of the affected households?</b>	<p>The assistance strategy needs to focus on households, not just housing, and take into consideration their social and economic characteristics (family size and structure, level of income, etc.) and the affected population in general (settlement patterns, prevalence of elderly, gender composition, etc.).</p> <p>Household and population data can be gathered by local governments, as part of the housing survey, and from the national population census and household survey.</p>

**Table: Key Questions on the Assistance Strategy**

<b>Key question</b>	<b>Considerations</b>
<b>Whom to assist financially?</b>	<p>Funding for infrastructure generally goes to local governments.</p> <p>Housing subsidies can be channeled to individuals, household groups, or entities that oversee reconstruction activity.</p> <p>If funding for housing is not sufficient to adequately assist all affected households, it may be necessary to prioritize certain groups.</p> <p>Communities are best at identifying vulnerable households and validating beneficiary lists.</p>
<b>For what purpose to provide assistance?</b>	<p>Subsidies for both interim and permanent housing solutions may be needed.</p> <p>Recipients may be given discretion in deciding how to use the funds (unconditional transfers) or be required to use them for specific purposes (conditional transfers).</p> <p>Using subsidies to reduce risk (for instance, by providing a safe core house) can reduce the government's future liabilities.</p> <p>Involving women and men beneficiaries in defining these requirements is critical.</p> <p>Restoring local services encourages families to invest in their housing.</p> <p>Recovery of social facilities may be handled separately but coordinated with housing.</p>
<b>How much assistance to provide?</b>	<p>The amount of assistance can vary depending on family characteristics or be uniform for all households in a similar situation, such as the level of damage.</p> <p>The government's goal is to help the maximum number of households achieve at least minimally acceptable living conditions (equity) rather than to restore previous housing conditions.</p> <p>Households will generally contribute financially to housing reconstruction, but they may need help to raise funds, for example, from remittances.</p> <p>Beneficiaries need ready access to a system of grievance redress.</p>

- Uniform housing subsidies for all households are generally advised. This approach simplifies administration and reduces social tensions and opportunities to game the system.
- If housing costs differ substantially from one region to another, or between urban and rural zones, consider providing another form of support, such as, transport subsidies or access to credit.
- The amount of initial funding available, when additional funding may be received, and the speed of implementation will all affect the financing plan.

### ***Mobilize Funds for Housing Recovery***

Funding for housing recovery can be mobilized from a range of domestic and international sources as shown in the following Table.

Preparing a damage assessment, an estimate of funding needs, and a financing strategy will facilitate the external fundraising effort by showing donors how, when, and where they can assist.

**Table: Potential Sources of Recovery Funding**

Domestic sources	International sources
<b>Public Funding</b>	
Government operational and capital budgets*	International financial institution loans*
Insurance proceeds (public assets)	Bilateral donor assistance*
Special levies or taxes	Multi-donor trust funds
Government disaster contingency funds	Regional funding sources
Contingency financing arrangements	
<b>Private Funding</b>	
Private company cash and in-kind contributions	International private cash and in-kind contributions
National NGO funding*	International NGO funding*
Insurance proceeds (private assets)	
Household savings and borrowing*	
Remittances and gifts	

\* Most common sources for housing recovery.

- Identify available government sources by conducting a public budget review.
- International donor assistance can be solicited by holding a donor conference or through bilateral discussions. Establish a team to track and follow up on all funding commitments.
- Non-governmental partners (private firms and international and national NGOs) often provide significant funding or in-kind contributions. But their efforts can become dispersed. The central and local government

can increase the coherence and impact of NGO interventions by formalizing their involvement and providing good direction on the ground.

### ***Develop Systems to Deliver Funding***

The systems used to administer and monitor recovery funding must be secure, efficient, and auditable. Key decisions on how assistance will be delivered such as those in the following Table help to determine which systems are required.

**Table: Key Decisions on Financial Assistance**

<b>Key question</b>	<b>Considerations</b>
<b>In what form will assistance be delivered?</b>	<p>Funding for infrastructure projects can be channeled through normal public financial systems.</p> <p>Housing assistance can be delivered as cash, in-kind, or vouchers. Each requires an appropriate distribution channel (banks, distribution hubs, debit cards, etc.). Make sure every beneficiary has access.</p> <p>Distribution of materials is sometimes warranted. Engage normal market participants to assist, since they will be more efficient than the government.</p> <p>Make sure the entities distributing assistance have adequate security and record-keeping systems. Ensure safety for beneficiaries, especially if assistance is delivered as cash.</p>
<b>What conditions are attached to the assistance?</b>	<p>Conditions such as compliance with building standards are often attached to housing assistance, with funds delivered in stages as conditions are met.</p> <p>Infrastructure projects need to meet design standards.</p>
<b>How will compliance with conditions be assured?</b>	<p>An inspection system and training for builders, inspectors, and households help ensure compliance with building standards.</p> <p>A system for sanctions and appeals may also be required.</p> <p>Social audit has been an effective oversight mechanism in many recovery programs.</p>
<b>How will physical and financial progress be recorded, reported, and audited?</b>	<p>Systems will be needed to record and report on the steps in the qualification and funding process (beneficiary qualification, deposit of funds, use of funds, final inspection, etc.).</p> <p>Consider that record-keeping systems will need to function in diverse locations and conditions. Online systems and photographic records of progress create an audit trail and increase accountability.</p>

- Special channels may be needed to transfer funding to community-managed projects. Transferring subsidies through banks works well in a number of countries and creates a transparent audit trail.

### ***Establish the Accountability System***

The government's performance in delivering the housing recovery program will be scrutinized. Establishing transparent rules for budget allocation and beneficiary selection, using secure payment systems, and following clear procurement procedures will help build public confidence in the government's handling of the recovery process.

- Put administrative systems in place before disbursing public funds for purchases, contracts, subsidies, and other purposes. Ensure these transactions are audited. Systems are needed to monitor both financial and physical progress against

recovery objectives and to report this information regularly to the public.

- Having many implementing partners makes reporting on results more difficult. Require partners to establish accountability standards and to report regularly using agreed formats.
- Consider establishing a system to track the distribution of recovery assistance to households, whether the assistance is provided by partners or the government.

### ***Commit to and Report on Recovery Milestones***

Reporting against recovery milestones and targets allows the public to monitor progress toward the launch of recovery activities and to monitor results. Potential milestones, results indicators, and targets are shown in the following Tables.

**Table: Housing Recovery Program Milestones and Indicative Targets**

<b>Housing Recovery Program Milestones</b>	<b>Indicative Targets</b>
<b>Establish coordination mechanisms with humanitarian agencies providing shelter</b>	Within [3 days] of disaster
<b>Carry out the first regular communication with affected households</b>	Within [1 week] of disaster
<b>Initiate the post-disaster needs assessment</b>	Begin within [1 month] of disaster
<b>Develop the housing damage typology</b>	Within [1 month] of disaster
<b>Begin rubble removal and restoration of transport routes</b>	Within [1 month] of disaster
<b>Begin the housing condition assessment and household data collection</b>	Begin within [6 weeks] of disaster; finish within [6 months]
<b>Establish a coordination platform with partner agencies</b>	Within [1 month] of disaster
<b>Develop a housing finance strategy</b>	Within [2 months] of disaster (as soon as preliminary housing damage data is available)
<b>Disseminate the Housing Sector Recovery Framework</b>	Within [4 months] of disaster
<b>Put local implementation arrangements in place, including for the provision of technical assistance</b>	Within [6 months] of disaster.
<b>Begin delivering financial assistance for shelter and housing</b>	Within [30 days] (shelter); within [6 months] (housing)



Reconstruction in Portoviejo canton, Ecuador. Photo credit UNDP Ecuador.

**Table: Housing Recovery Indicators and Targets**

<b>Housing Recovery Results Indicators</b>	<b>Targets</b>
<b>Inputs</b>	
Expenditures by type	Disbursements by period
Number of subsidies delivered	Number delivered by period
Materials delivered	Amount delivered by period
Volunteer hours logged	Hours logged by period
<b>Outputs</b>	
Number of displaced households by category (in internally displaced persons camps, in-situ, etc.)	Reduction by [x%] by period
Number of houses/housing units reconstructed in situ/ repaired/retrofitted	Units completed by period
Number of households relocated and housing constructed in new sites	Number relocated / units
Number of infrastructure projects reconstructed/repared by type	Number completed by period
Number of social facilities reconstructed/repared/retrofitted	Number completed by period
Number of builders and households trained in safe building practices	Number trained by period
Other DRR-related results	To be determined
<b>Outcomes (disaggregated by gender and other social characteristics)</b>	
Beneficiary/participant satisfaction	Reported level of satisfaction
Understanding of risk in various social groups	Responses to questions
Economic and social indicators restored	Comparison to pre- and post-event

## Organize the Implementation Process

### Consider Various Reconstruction Approaches

Reconstruction approaches vary with respect to: (a) the degree of household control, (b) the form of assistance, (c) the role of various actors, and (d) where the reconstruction takes place. The table below compares the most common approaches to housing reconstruction.

- The best approach to reconstruction is unique because of differences in disaster impact, tenure status, and preferences of households. It is important to involve affected women and men in decisions regarding the reconstruction approach. Owner- and community-driven reconstruction requires technical support.
- There is a common assumption that large-scale, contractor-built reconstruction is cheaper and faster. In fact, the World Bank has found that owner- and community-driven reconstruction is more cost-effective and saves time. These approaches also strengthen community resilience and produce higher household satisfaction.<sup>5</sup>
- Because contractor-built projects require larger plots of land, they are often constructed in remote locations. This contributes to sprawl and results in higher transportation costs for relocated households.
- With owner- and community-driven reconstruction, labor may come from owners, friends, or family or it may be hired in the local market. The distinction between these and other approaches is not the source of labor, but that owners, the community, or both manage the process and are responsible for the outcome.

**Table: Housing Sector Reconstruction Approaches**

Reconstruction Approach	Degree of Household Control	Form of Assistance		Role of Actors			Location
		Financial	Technical	Community	Agency	Contractor	
Unconditional / unsupervised reconstruction	Very high	None or unconditional cash transfer	None	None	None	Household may hire	Generally <i>in-situ</i>
Owner-driven reconstruction	High	Conditional cash transfer to household	TA/Training of household	None	Project oversight and training	Household may hire	<i>In-situ</i> or in relocated site
Community-driven reconstruction	Medium to high	Conditional transfer to household or community	TA/Training of community and household	Project organization and oversight	Project oversight and training	Community may hire	<i>In-situ</i> or in relocated site
Agency-driven / contractor-built reconstruction	Low to medium	Funds handled by agency	Limited or none	Limited	Management of project	Agency hires contractors	<i>In-situ</i> or in relocated site

Source: World Bank (2010).

<sup>5</sup> World Bank, *Safer Homes, Stronger Communities: A Handbook for Reconstructing after Natural Disasters* (Washington DC: World Bank, 2010).



### ***Address Potential Construction Bottlenecks***

- Analyze the normal housing development process, the bottlenecks created or worsened by the disaster, and ways to support the value chain. For example, if private suppliers are having difficulties delivering the needed quantity of building materials, the government can facilitate transportation or help suppliers to get access to credit.
- Be realistic when estimating how long recovery will take. Avoid compromising on risk reduction and quality construction in the rush to complete permanent reconstruction. Providing adequate, appropriately sited temporary shelter allows time for well-executed permanent reconstruction.

### ***Resolve Land Ownership and Tenure Issues***

Informal occupants living in poor quality housing and unsafe sites are those most affected by disasters, and the most likely to be displaced. There are many causes of informal occupancy (inefficient property markets, marginalization of vulnerable groups, use of customary practices, and costly registration and titling procedures), and they are usually too complex to resolve in the recovery timeframe.

Yet households (and often donors) want safe sites with tenure security in order to invest in housing. Governments are frequently asked to supply public land for housing sites, but this may not be feasible or advisable. Even so, the government can help in making land with secure tenure available, so that recovery can move forward, and households are not displaced.

- Start reconstruction in areas with no land disputes, allowing time for relocation and dispute resolution elsewhere.
- Have displaced households work together to find suitable building sites. Some land owners may be willing to subdivide their property to accommodate a displaced family.

- Launch a readjustment process to rationalize plots and resolve property disputes in return for formal recognition. This was done successfully on a large scale following the 2004 Indian Ocean tsunami.
- Provide occupancy permits that protect tenancy for a specific period while land is being registered.
- Use mechanisms such as requests for proposals to acquire registered land through the private real estate market.
- In urban areas, provide subsidies to renters, landlords, or both to expand the supply of rental housing units.

### ***Engage Affected Communities***

No housing recovery stakeholders are more motivated to accelerate recovery than the affected population. Two-way communications and community mobilization are essential tools that both government and partners can employ to tap the capacities of this population.

- Begin communications and community mobilization before housing recovery activities. NGOs and many local governments are experienced with community planning and other ways to organize recovery at the local level. Ensure the participation of both women and men.
- Address the disproportionate effect disasters can have on women-headed households due to lower quality housing and higher out-of-pocket reconstruction costs, especially in countries with high male emigration.
- In organizing communities, provide channels that give men and women an equal voice and equal access to information, training, and employment opportunities. Women should be consulted on house design and domestic services such as electricity and water. Among other skills, women have demonstrated their

effectiveness at monitoring reconstruction projects. A social assessment can identify the challenges and opportunities with women's involvement.

- Reach out to vulnerable households, especially those of the elderly and the disabled, and prioritize their need for accessible homes and community facilities. Community members are usually the best able to identify these vulnerable households.

### **Create Technical Capacity on the Ground**

Getting local implementation arrangements in place is an urgent priority for the government. The precise arrangements depend on factors such as prior experience with decentralized service delivery and local capacity. Once the organizational structure is decided upon, especially the division of labor between the central and local government, local actors can work together to delegate roles and responsibilities, and to develop plans and schedules.

- Ensure local governments have sufficient support with coordination, financial management, procurement, and other assigned responsibilities.
- Create support teams for household groups that include experts in social mobilization, construction, and finance and provide systems for inspections and disbursements.
- The lead government agency can assist by establishing tools, standards, and protocols and by monitoring decentralized activity on the ground.

### **Provide the Means for Grievance Redress**

It is common for complaints to arise in recovery programs: beneficiaries are in a precarious situation and program criteria can be easily misinterpreted.<sup>6</sup> Complaint and grievance redress mechanisms help to ensure transparency and fairness and to reduce errors and manipulation of program requirements. The essential elements of a grievance redress program are shown below.

<b>Element</b>	<b>Considerations</b>
<b>Announcement</b>	Explain the right to complain in detail to beneficiaries. Make procedures for receipt and processing of complaints transparent.
<b>Complaint intake</b>	Make intake procedures clear. Appointments may be advisable. Register all complaints received, regardless of source. Issue complainants a receipt and a copy of the written record.
<b>Location</b>	Provide a safe place to present complaints and to be interviewed.
<b>Inquiry and verification</b>	Verify each complaint within a given period, using local information and established procedures. A system for appeals may be necessary.
<b>Communicating decisions</b>	Notify the complainant in writing of the decision on the complaint and on his or her options for appeal, if available.

Source: World Bank (2010). *Safer Homes, Stronger Communities: A Handbook for Reconstructing after Natural Disasters*. Washington DC.

<sup>6</sup> Egon Rauch and Helmut Scheuer, "SDC Cash Workbook: A Practical User's Guide for the Preparation and Implementation of Cash Projects" (Bern: Swiss Agency for Development & Cooperation, 2007). Also see Humanitarian Coalition Cash Transfer web site: <http://humanitariancoalition.ca/info-portal/factsheets/cash-transfer-programming>.

## Develop a Strategic Approach to Housing Recovery

### Develop an Ex-ante Housing Sector Recovery Framework

Time pressures are intense in the post-disaster period, and expectations are always high. Many decisions related to housing recovery and reconstruction can be made in advance of a disaster, based on prior national experience and international good practices.

- Governments can standardize assessment tools, develop baselines, design financial assistance policies and delivery mechanisms, prepare technical assistance programs, sign contingent contracts, and engage line ministries and local governments in risk reduction and sector recovery planning, among other activities.
- Countries with frequent disasters can develop a full Housing Recovery Framework that identifies policy and operational options and provides tools and systems that can be readily deployed following a disaster.<sup>7</sup>

### Define a Disaster Risk Financing Strategy

The ad-hoc, ex-post funding model most governments use to finance disaster recovery is slow to mobilize resources, leads to a fragmented and underfunded response, and creates incentives that discourage investment

in risk reduction and preparedness, according to DRF experts. Government financing of housing reconstruction, in particular, creates unsustainable claims on public funds that expand with economic development and population growth.

- Financing arrangements for disaster risk reduction and recovery can be set up in advance of a disaster, as well. The field of disaster risk financing and insurance (DRFI) aims to increase the resilience of vulnerable countries to the financial impact of disasters as part of a comprehensive approach to disaster risk management.<sup>8</sup>
- A DRFI strategy can both expand the availability of recovery resources and redistribute financial risk away from the government, to third parties. Actions could include designing contingent financing tools, establishing clear policies on the amount of support each household can expect from government, and developing the private property catastrophe risk insurance markets.<sup>9</sup>
- Government and the private sector may be motivated to introduce financial risk management tools such as housing insurance following a disaster. Building on this motivation is wise, even though the beneficiaries will be those protected from future events.

7 World Bank, "Guide to Developing Disaster Recovery Frameworks" (Washington, DC: World Bank, 2015). The Guide provides information on both ex-ante and ex-post recovery frameworks.

8 World Bank, "Financial Protection against Natural Disasters: From Products to Comprehensive Strategies, An Operational Framework for Disaster Risk Financing and Insurance" (Washington DC: World Bank, 2014).

9 Developing insurance markets is a medium- to long-term effort within a larger DRFI strategy. For information, see the World Bank's DRFI web site at <http://www.worldbank.org/en/programs/disaster-risk-financing-and-insurance-program>.



Photo credit: ADB

## Request Assistance from the World Bank Group

Governments can request support from the World Bank with housing recovery programs. Building on its worldwide experience with post-disaster recovery, the World Bank Group can assist governments in a number of ways.

- Helping governments plan and implement housing condition surveys using trained local engineers and social mobilizers.
- Providing contacts in countries that have successfully organized housing recovery programs.
- Structuring loans and grants to finance recovery and reconstruction. In many cases, existing World Bank loans can also be restructured to support recovery.
- Helping governments develop and implement disaster risk financing strategies, including setting up insurance programs.
- Assist governments to update building codes and strengthen their regulation and enforcement.
- Offer technical assistance with the preparation of both ex-ante and ex-post Housing Recovery Frameworks.

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## Overview

The **Housing and Settlements Recovery Note** is part of GFDRR's **Disaster Recovery Guidance Series**. This Note provides advice to government officials who face the challenge of post-disaster recovery of housing and settlements. It explains the key decisions related to recovery policy, planning, financing, and implementation that contribute to an effective and efficient recovery process. The Housing and Settlements Recovery Note reflects the World Bank's extensive experience in helping governments plan and execute post-disaster recovery programs.

For more information on implementing recovery programs,  
please visit the GFDRR Recovery Hub:

<https://www.gfdrr.org/recovery-hub>



The Global Facility for Disaster Reduction and Recovery (GFDRR) is a global partnership that helps developing countries better understand and reduce their vulnerabilities to natural hazards and adapt to climate change. Working with over 400 local, national, regional, and international partners, GFDRR provides grant financing, technical assistance, training and knowledge sharing activities to mainstream disaster and climate risk management in policies and strategies. Managed by the World Bank, GFDRR is supported by 34 countries and 9 international organizations.