

Tsunami Reconstruction in India to cost \$1.2 billion, says World Bank-ADB-UN Joint Assessment Report

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New Delhi, 14 March, 2005. Overall rehabilitation and reconstruction needs in the four mainland tsunami-affected states and territories of India are to the tune of US\$1.2 billion, according to a Damage and Needs Assessment Report prepared jointly by the World Bank, Asian Development Bank and United Nations at the request of the Government of India.

A joint assessment team of the three multilateral agencies visited affected areas in Tamil Nadu, Kerala, Andhra Pradesh and Pondicherry from February 1 to 15 after the government requested support to rebuild infrastructure, rehabilitate livelihoods and develop disaster prevention and management systems for the future in the four affected mainland territories. The team met with affected persons, local, district and state-level government officials, NGOs and private sector representatives.

A draft summary report was submitted to the Government of India on 18 February, 2005. The government has agreed with the findings. The final report was released on Monday.

Following this needs assessment, the World Bank, ADB, and UN are in discussion with the government to determine the nature of support from each agency and implementation arrangements for the reconstruction program.

The assessment report estimated that overall damages to assets are about \$575 million and productivity losses about \$450 million. The reconstruction estimate is higher than these damages as it will take into account replacement of the damaged assets with new ones not only of equal value, but with upgrades to services and infrastructure in order to reduce the previous inherent vulnerability.

The report assesses the damages and needs both state and sector-wise, and says the largest proportion of damages is concentrated in housing and fisheries, restoring livelihoods, and to some extent in infrastructure and agriculture. Reconstruction needs for housing are estimated at \$490 million and fisheries at \$285 million.

State-wise, Tamil Nadu is the worst affected with reconstruction needs estimated at \$868 million, followed by Kerala (\$158 million), Pondicherry (\$114 million) and Andhra Pradesh (\$73 million).

“An unexpected event like the tsunami has highlighted the vulnerabilities to recurrent hazards of groups of the population already in the lower levels of the development process,” say Shyamal Sarkar, Arjun Goswami and Pascal Girot, who led the joint assessment team on behalf of the World Bank, ADB and UN respectively.

“Losses related to livelihoods in the worst-affected sectors are of particular significance because they accentuate the pre-existing vulnerability to poverty of not only the households directly engaged in coastal fisheries, agriculture and micro-enterprises, but have a spill over effect on related livelihoods of communities beyond the affected areas,” they add.

The report says that the affected areas have already moved from relief to reconstruction, although for some sectors and groups of affected people relief will continue for several months. During this transition, the protection of the most vulnerable segments of the displaced population and the improvement of their living conditions in temporary shelters over the coming months deserve special attention.

The report highlights the cross-cutting nature of the disaster’s impact, and suggests that the reconstruction strategy be based on a participatory, equitable, flexible, decentralized, and transparent approach. Better management of the coastal environment and reinforced risk reduction should be seen as part of the overall social and economic strategy.

A consultative approach will be particularly necessary as investment in and location of new infrastructure are tied to overarching policy decisions in terms of appropriate coastal regulation and risk management, some of which have significant costs and social and livelihood implications.

“The disaster is a wake-up call to better manage risk. Effective hazard risk management in the future should be less dependent on relief and assistance, which draws valuable resources from other development goals. Instead, there is a need to promote an increased participation of the community in risk transfer insurance and community-level risk management and disaster prevention, while giving assistance to those affected,” say the assessment team’s leaders.

For more information on the World Bank and natural disasters, please visit:

<http://www.worldbank.org/hazards> <http://www.worldbank.org/tsunami>

For more information on the World Bank's activities in India, please visit:

<http://www.worldbank.org.in>

For more information on ADB’s activities in the Tsunami aftermath please visit:

<http://www.adb.org/tsunami/default.asp>

For more information on the United Nations and Tsunami, please visit:

<http://www.undp.org.in/dmweb/Tsunami/default.htm>