

Chile

1. Noteworthy practices for project preparation



PUBLIC SECTOR CAPACITY FOR PROJECT PREPARATION

Capacity building initiatives to strengthen social project evaluation skills of public officials

The Ministry of Social Development (MSD), which is responsible for appraising the projects and ensuring quality in project preparation, also offers various courses for public officials in social project evaluation. In order to build the technical capacity of public officials at all levels of government, MSD has been undertaking capacity building initiatives in social project preparation and the evaluation of public employees through the following courses: i) training on the Integrated Project Bank (BIP) database; ii) a course on the Preparation and Social Evaluation of Projects; iii) a course on the Logical Framework Applied to the Formulation of Investment Initiatives; iv) an advanced course on Project Preparation and Evaluation; and v) a Diploma in Project Preparation and Evaluation.



PROJECT APPROVALS AND QUALITY ASSURANCE

Modern appraisal system for public projects with standard appraisal methodologies

Chile's National Public System of Investments (SNI), an advanced appraisal system, is a pioneer initiative in strengthening and standardising project approvals. The system is jointly administered by the Ministry of Social Development and the Ministry of Finance. The SNI applies standard methodologies, including inputs published by the Ministry of Social Development, for project review to enable selection of the project with the largest social net present value. The SNI has also developed standard procedures and guidelines for project appraisal. This aids with the standardisation of project presentation formats and the comparison between projects under similar categories. It also allows projects to be evaluated using techniques which are widely validated and accepted by professional economists.

Centralised publication of social prices to enhance project preparation and appraisal

The Ministry of Social Development annually determines the social prices of labour supply, the currency and discount rates, and other inputs used in appraisal methodologies, such as cost-benefit analysis (CBA) and cost efficiency approach (CEA). The availability of input costs to the project planners helps to provide a level of standardisation in project estimates and fiscal implications.



PROJECT MARKETING AND STAKEHOLDER ENGAGEMENT

Centralised online system for project information to ensure transparency in communicating with stakeholders

The Integrated Project Bank (BIP) is an online information platform to enhance project disclosure. The files in the BIP contain information on the projects, which can be updated by the project promoter. Additionally, information on the project appraisal undertaken by the Ministry of Social Development is updated online. This system ensures transparent communication between the Ministry of Social Development and the project promoter. It also acts as a central repository for a historical analysis of the costs and demands of various types of projects, thereby providing better estimates of these variables for future evaluations.

2. Snapshot of project preparation activities

Chile is a Latin American pioneer in promoting best practices in project preparation. It was one of the early countries to pass a law on concessions, to introduce the Least Present Value of the Revenues (LPVR) as a bid variable, and to establish a comprehensive public investment management system. Chile's toll road projects (starting in the early 1990s) are considered to be one of the earliest successful programs implemented using the PPP model.

In July 2014, Chile launched the Infrastructure, Development and Inclusion Agenda – Chile 30-30, a national development strategy to raise the average per capita income in Chile to US \$30,000 by 2030 and increase investments in public infrastructure from 2.5% to 3.5% of gross domestic product (GDP). Under the plan, Chile envisaged to invest US \$28 billion in public and private infrastructure projects over the period 2014–2021. The plan involves two main investment streams; an estimated US \$10 billion in new concession projects until 2020, and US \$18 billion in a range of public infrastructure projects and programs until 2021.

One of the unique elements of the project preparation environment in Chile is the much acclaimed National Investment System (SNI), which provides a rigorous framework and standardised methodology for project evaluation for public investments. Chile's project preparation environment has evolved, learning from the challenges of the past. For example, with an objective to manage PPP investments in line with the government's fiscal priorities, it has strengthened the cost-benefit analysis (in the design stage of PPP proposals), established a National Infrastructure Fund (with a pool of US \$9 billion and expected to operationalise in the coming years) and introduced institutional reform (a Ministry of Finance officer with veto power was permanently assigned to the Ministry of Public Works to further ensure the financial viability of projects).

INSTITUTIONAL FRAMEWORK

Chile has established an effective institutional structure with a separate role for the public agencies promoting the project and for institutions in charge of project review and independent appraisal. Project preparation activities are decentralised in Chile, with the line agencies and publicly owned companies (referred to as Government Contracting Authorities (GCAs)) responsible for project preparation at both the federal and sub-national levels. The GCAs in Chile are responsible for planning, implementing and supervising projects and are supported by other public institutions, including the Ministry of Public Works (MOP), the Coordination of Public Works Concessions (the PPP Unit within MOP), the Ministry of Social Development (which undertakes project appraisal from a social point-of-view), the Ministry of Finance (the gatekeeper of public finances which reviews projects from a government liability perspective) and the national congress (which has the final approval for the federal expenditure budget).

The Ministry of Public Works (MOP) is the implementing authority for infrastructure projects and its experience and capabilities in preparing and executing projects has been instrumental in delivering high-quality infrastructure in Chile. The ministry is responsible for roads, highways, bridges, tunnels, airports, and water resources. The ministry is supported by a special unit called the *Coordination of Public Works Concessions (CC)*, created to streamline project preparation and implementation for concession projects and staffed with specialised legal, environmental and engineering experts. It is responsible for producing detailed design and engineering studies during the tendering and supervision of public works concessions, and for managing the bid process.

The projects prepared by the GCAs are reviewed by the *Ministry of Social Development (MSD)* (previously known as the Ministry of Planning). The ministry is responsible for setting national priorities, appraising infrastructure proposals and creating bids. The MSD, along with the *Ministry of Finance (MOF)*, is responsible for managing the National Investment System (SNI)¹. The MSD is also responsible for:

- (i) regulating the procedures for preparing and appraising projects which apply for public funding;
- (ii) developing and managing an information system for all investment initiatives;
- (iii) developing project preparation and appraisal methodologies, including the determination of social prices; and
- (iv) training public officials in project preparation. Further, where the project seeks state funding, the Sub-secretariat for Social Assessment in the MSD (through its Social Evaluation and Investment Division), evaluates the pre-investment studies of such projects.

The Ministry of Finance (MOF) acts as the gatekeeper of public finances and ensures the alignment of projects with national fiscal priorities. To ensure PPP programs are aligned with fiscal priorities, a representative from MOF with veto power is permanently assigned to MOP to assess the financial viability of projects.

PROJECT PREPARATION LANDSCAPE

A snapshot of the project preparation landscape is summarised below:

Project conceptualisation and planning. Project preparation activities are initiated by the GCAs, which are responsible for the generation of the project idea at both the federal and sub-national level. While Chile does not have an integrated long-term national plan, individual line ministries have prepared long-term sectoral strategies and plans. For example, the Ministry of Public Works has prepared an Infrastructure, Development and Inclusion Agenda – Chile 30-30, which provides a medium- to long-term strategy for infrastructure development and determines the sectoral policies and objectives. Other key sectoral plans include the National Strategy for Water Resources (2012-2025), Regional Plans for Infrastructure and Water Resources (2014-2021), and the National Energy Strategy (2012–2030).

Project studies and appraisal process. The project studies and appraisal process is guided by the National Investment System (SNI), which provides a set of norms, techniques and procedures governing the public investment process. The objective of the SNI is to improve the quality of public investment in Chile by selecting projects with the largest social net present value (NPV). Projects can be submitted to SNI throughout the year. Projects in SNI undergo a multi-stage evaluation process depending on their size and complexity. Generally, the larger and more complex projects go through concept, pre-feasibility, feasibility and detailed technical design phases. The steps in project studies and appraisal are summarised below:

- *Initial review* – GCAs present the project outline, along with the justification for the project, social appraisal of the project (generally a cost-benefit or cost-effectiveness analysis), and the pre-feasibility funding application form to the Integrated Project Bank (BIP). The BIP provides a record of all project proposals in a standardised format and tracks project development from the initial proposal through to ex-post project evaluation. Upon submission of the project proposal, the project is assigned a unique project ID within BIP. The project is reviewed to determine whether it meets the general project admissibility criteria. At this stage, MOP assesses the completeness of information and includes the project in the SNI.

¹ The National Investment System (SNI) refers to a set of norms, techniques and procedures which govern the public investment process. It is a model of consistent and transparent investment appraisal, with the objective to improve the quality of public investment.

- *Pre-feasibility and feasibility* – After the creation of the project profile, the project ID enters the SNI system, where it goes through various stages of project appraisal. The GCAs prepare a pre-feasibility study and submit and seek approval through the SNI system. In the case of PPP projects, the Coordination of Public Works Concessions (CC) assists the GCAs in environmental, sociological, and engineering matters. The project alternatives are ranked according to their social benefits and the top ranked alternatives are selected for further study. During the feasibility stage, detailed appraisal on cost-benefit analysis (CBA) or cost-effectiveness analysis is conducted, followed by a detailed design and technical appraisal of the project, including engineering and construction studies. The MSD, through an investment analyst², conducts the techno-economic, social, legal, and market appraisals at both the pre-feasibility and feasibility stage. At each stage, an Economic Technical Analysis Results (RATE) is issued. The projects that attain a socially recommended (RS) RATE are moved to the next stage. Proponents of projects that lack project information or are objected to for technical reasons can provide additional information and present a revised version of the project to the SNI within ten working days. The projects which pass the appraisal process by MOP in SNI are shared with MOF for presentation to the congress for the budget.

Project preparatory financing. The projects are largely financed through budgetary allocations. The projects may also be funded under the National Regional Development Fund (FNDR), which provides a sustainable source of project preparatory financing. However, only the projects which have been approved as Socially Recommended (RS) by the competent authorities shall be supported under the FNDR facility.

Capacity building in project appraisal methodologies.

Chile has developed its capacity and processes for CBA appraisal using sophisticated estimation techniques, such as shadow pricing, the application of various estimation assumptions and methods for different types of projects, and the standardised use of social discount rates and conversions for various expense and profit values. The MSD appoints a special project investment analyst (generally engineers or economists), who reviews the project studies within a fixed time constraint. The public employees preparing projects in the promoting institutions have a variety of professional backgrounds. In order to build the technical capacity of public officials at all levels, MSD has been undertaking capacity building in social project preparation and evaluation of public employees in the following courses: i) training on the Integrated Project Bank (BIP) database; ii) a course on the Preparation and Social Evaluation of Projects; iii) a course on the Logical Framework Applied to the Formulation of Investment Initiatives; iv) an advanced course on Project Preparation and Evaluation; and v) a diploma in Project Preparation and Evaluation.

On average, 500 public officials are trained annually. The MSD finances the training and has a budget of approximately US \$800,000 annually.

² The project analysts involved in appraisal are usually engineers or economists. The public employees preparing projects in the promoting institutions have a variety of professional backgrounds. MSD undertakes capacity building of public employees in project preparation and appraisal.

SNI – NATIONAL INVESTMENT SYSTEM

Chile has had success in the systematic appraisal of public investment projects. The appraisal system of public investment started in 1975, with the establishment of the National Investment System (SNI), jointly managed by MSD and MOF via the budget office. MSD is responsible for ex-ante project appraisal and ex-post evaluation, as well as systematic data collection and reporting, while the MOF (through the budget office) sets the public budget. All projects proposed by the public sector entity must go through SNI. The SNI is also supported by specific policy and regulatory directives. As per Chile's Law Decree 20530, the capital budget submitted by the Ministry of Finance to congress should consider all projects assessed and approved in SNI. This approach has contributed to the quality of project preparation with the project being evaluated by both MSD and MOF.

The objective of the system is to identify the best projects offering the highest social return. The system allows the projects within the BIP to compete with each other for resources in the annual budget. The key institutional characteristics of SNI which facilitate quality project preparation include:

- ***A centralised project information system:*** The BIP serves as a central repository of project ideas in the country. It also provides information on the steps in the project appraisal and the RATE score assigned at each stage of project preparation. This information serves as guidance for the project preparation authorities in the design and preparation of future projects.
- ***A continuous process of improving project estimates and methodologies by comparing them with the information collected ex-post evaluation of projects:*** The SNI undertakes an independent ex-post evaluation of projects, which helps in refining and strengthening the existing system and making it more robust. The ex-post evaluation is conducted at the following stages: i) following the completion of construction; and ii) during project operations. The projects are reviewed on their adherence to the time, cost and process standards envisaged.
- ***A centralised publication of social prices to ensure that projects are evaluated against the same benchmarks:*** MSD annually determines the social prices of the labour supply, the currency and discount rate, and other prices commonly used in the CBA or CEA analysis, which brings standardisation to the project cost estimation process across projects.
- ***Guidance manuals for project preparation:*** The MSD has prepared guidance manuals in its portal on the process of project preparation and the methodology and tools for the CBA and/or CEA assessment across sectors. The guidance manuals and tools are fairly robust and updated regularly based on inputs from the ex-post evaluations of projects. The availability of guidance documents standardises the project preparation process across departments and across projects.
- ***Independent and transparent project appraisal standards:*** The SNI system provides a platform for the independent appraisal of projects and reduces conflict of interest by separating the project preparation entity and the approval entity. The role of the project preparation entity (GCA) is to submit the project information in the SNI, which is later reviewed by the approval entity (MSD). The MSD undertakes the detailed appraisal, and checks the appropriateness of the methodology applied and the reliability of information used to calculate the RATE. The RATE score shall determine whether the project will be approved or not.

3. Guidance for project preparation

Guidance	NATIONAL INVESTMENT SYSTEM (SNI)
Owner	The Ministry of Social Development
Project development stage	PPP project lifecycle
Details	<p>The SNI is a modern appraisal online database system jointly managed by the Ministry of Social Development (MSD) and the Ministry of Finance (MOF), which evaluates projects requiring public resources. The SNI has developed standard procedures and guidelines for project evaluation and appraisal to aid with the standardisation of project presentation.</p> <p>Link for further details: http://sni.ministeriodesarrollosocial.gob.cl</p>

Guidance	PROJECT INFORMATION SYSTEM (BIP)
Owner	The Ministry of Social Development
Project development stage	PPP project lifecycle
Details	<p>The BIP, the Integrated Project Bank administered by the Ministry of Social Development (MSD), covers the investment initiatives that apply for state funding. The files in BIP contain information on the project, which can be updated by the project promoter. Further, all observations and recommendations made by MSD on the project, for example the RATE assigned, can be seen online. It also acts as a central repository for a historical analysis of the costs and demands of various types of projects.</p> <p>Link for further details: https://bip.ministeriodesarrollosocial.gob.cl</p>

Guidance	RULES INSTRUCTIONS AND PROCEDURES PUBLIC INVESTMENT (NIP)
Owner	The Ministry of Social Development
Project development stage	PPP project lifecycle
Details	<p>The Ministry of Social Development has published guidance manuals on the procedures to be followed in the public investment process. These manuals guide public sector institutions in undertaking investment initiatives and the process of project preparation – from project conception to project approval. The Ministry of Finance (MOF) and Ministry of Social Development (MSD) also publish specific guidelines and methodologies on various sectors, social pricing on various sectors, and support tools for the investment initiative.</p> <p>Link for further details: http://sni.ministeriodesarrollosocial.gob.cl/evaluacion-iniciativas-de-inversion/evaluacion-ex-ante/normas-instrucciones-y-procedimientos-inversion-publica-nip/</p>

4. Project case example: The National Reconstruction Plan of Chile

PROJECT BRIEF

The National Reconstruction Plan of Chile was a program launched and led by the Ministry of Housing and Urban Development (MINVU) a few months after the massive earthquake in 2010. Chile was struck by an 8.8 magnitude (Richter scale) earthquake on 27 February 2010. It displaced more than 12.8 million people (75% of the total population) leading to economic losses of US \$30 billion (approximately 18% of the Gross National Product of Chile). The disaster affected more than 900 cities and towns in six regions, and damaged 220,000 family homes scattered in more than 23,000 settlements, including isolated locations.

The MINVU proposed a reconstruction plan, aligned with the regular government programs, to support the reconstruction and repair of all housing structures. The plan was conceived for the period 2010-2014 for a total budget of US \$2.5 billion. It was structured across three lines of action: i) Housing Reconstruction Program; ii) Emergency Camps Assistance and Social Condominiums Program; and iii) Territorial, Urban and Historic Heritage Reconstruction Program. This reconstruction plan was conceived of as a driver for national unity and a blueprint for the future development of the country.

The plan was monitored at the highest political office in the country (by the President of Chile) and involved extensive preparatory actions. The project is a good example of the benefits of long-term planning, inter-governmental coordination, post-disaster preparatory actions, and stakeholder management. The reconstruction plan is a very interesting case due to its innovative approach in planning and quality assurance. The plan facilitated the construction of more than 94% of the total housing units during the period 2010-2014.

QUICK FACTS



VALUE
(IN US \$ BILLION)

2.5*



STATUS

Ongoing



PROJECT OWNERSHIP

MINVU



SOURCE OF PROJECT
PREPARATORY FINANCING

Central and state
governments



SUPPORT AGENCIES

Government of Chile,
MINVU, SERVIU,
SEREMI**

* Initial budget of the reconstruction plan

** SERVIU (Service of Housing and Urban Development) and SEREMI (Regional Secretary) are branches of MINVU.

PROJECT TIMELINE

- Feb-10 The earthquake and tsunami affected 75% of Chile's population and destroyed 220,000 homes
- Mar-10 Establishment of the Inter-ministerial Committee for medium- and long-term plans and the National Emergency Committee for immediate action plans
- Mar-10 Creation of innovative planning instruments (Strategic and Sustainable Reconstruction Plans (PRES), Urban Regeneration Plans (PRU))
- Mar-10 Announcement of the Housing Reconstruction Program driven by MINVU
- Apr-10 Initiation of registry preparation
- May-10 Allocation of subsidies
- Jul-10 The register of disaster victims to ascertain the subsidy requirements was closed by this date to districts under 10,000 inhabitants
- Jul-10 Initiation of construction
- Aug-10 Closure of registry of disaster victims

LEARNINGS FOR PROJECT PREPARATION

1. Program designed to include tailor-made structures to drive universal impact

The housing construction program was designed to address the housing needs of every section of the population. The plan has been designed and structured in three phases: the immediate plan (restoration of basic services), the winter emergency plan (to address the immediate shelter requirements before the onset of the winter season following the earthquake) and the reconstruction plan, which ensures that priority needs are addressed upfront. The plan was also structured across three lines of action³ and provided flexibility of choice for the project-affected population. While the program was largely a subsidy-driven program, it also allowed SERVIU⁴ to drive the redevelopment of social housing units. The project beneficiaries were provided with the flexibility to select among the choices made available: subsidies for repairing works, subsidies for the construction of a new house on an existing or new site, or application for social housing units. The beneficiaries (especially landowners) also had the flexibility to select pre-fabricated home designs.

These non-exclusionary provisions provided the necessary flexibility in the project design and ensured that every section of the population was covered under the program.

2. Multi-stage assessment in a time-bound manner drives project selection for support

One of the biggest challenges of a post-disaster recovery program is the trade-off between timeliness in delivery and quality in appraisal. Chile's National Reconstruction Plan managed this challenge rather effectively. Project planning and preparation was channelled through the SNI system. The approach to project review and selection varied according to the program component – housing reconstruction, social condominiums, or city reconstruction. For example, in the case of the social condominium program, MINVU undertook three levels of preparatory studies – technical, economic and social – to gauge the extent of the damage and to identify project beneficiaries. The technical studies involved technical assessment of the damage and were conducted by external expert

³ i) Housing Reconstruction Program, ii) Emergency Camps Assistance and Social Condominiums Program and iii) Territorial, Urban and Historic Heritage Reconstruction Program

⁴ There are two branches of the Ministry of Housing and Urban Development (MINVU) in the regions: the SEREMI (Secretaría Regional Ministerial / Regional Secretary) branch represents the minister and has political responsibilities, while the SERVIU (Servicio de Vivienda y Urbanismo / Service of Housing and Urban Development) implements ministry policies and programs.

firms. Economic studies were prepared by the SERVIU technical team and an external company to prepare an economic evaluation of repair versus reconstruction using 2010 standards. Social studies were led by the local government to assess the social conditions of the affected families. Each of the studies were backed by a transparent framework for selection. Following the completion of the studies, 6,415 homes were selected for social condominium reconstruction. The schemes were also completed using trusted developers who were certified by MINVU.

3. Decentralisation in planning and the establishment of empowered cross-departmental teams to accelerate decision-making and drive action

The National Reconstruction Plan is an example of effective collaboration between the central and local governments, especially in a post-disaster scenario. The plan was backed by policy and regulatory reforms which provided greater decentralisation in planning and implementation. Local governments played an active role in supporting preparatory studies (social condominium projects), collating baseline information (for subsidy planning) and in end-to-end planning and execution (territorial/urban reconstruction). Further, the MINVU regional team of the affected area, namely SERVIU, was given authority by MINVU to act as a real estate development mediator and to devise strategy regarding the reconstruction of social condominiums.

In order to achieve the immediate and winter action plans, the President of the Republic established an *Inter-ministerial Emergency Committee* and an *Inter-ministerial Reconstruction Committee* to coordinate the implementation of the project plans. The Inter-ministerial Emergency Committee focused on the emergency stages and rehabilitation, such as aiding the wounded, searching for missing people, burying the deceased, and re-establishing the normal supply of basic services, such as food, electricity, water, communication and land transportation systems. This committee promoted integrated planning and coordination with the Ministries of Public Works, Internal Affairs and Regional Development, Education, Health, Finance, Economy and Social Development. The Reconstruction Committee was focused on medium- and long-term coordination efforts, such as the encouragement of private contributions and donations to the reconstruction fund. The committees met regularly and drove early reconstruction planning, which helped to avoid duplication of work by the corresponding ministries during implementation of the plan.

4. Innovative tools for private sector collaboration in reconstruction

The urban regeneration programs under the plan were largely the responsibility of the local governments. The government introduced innovative tools to facilitate private sector involvement in project planning and implementation. The National Reconstruction Plan introduced new planning instruments, such as the Strategic and Sustainable Reconstruction Plans (PRES), Urban Regeneration Plans (PRU) and Coastal Edge Master Plans (PRBC), which served as tools to promote active private sector participation in infrastructure planning and implementation. The National Reconstruction Plan provided for mechanisms to arrange and finance the master plans during the emergency phase, based on public-private partnership agreements between municipalities, regional governments, companies and social organisations, in which the MINVU acted as guarantor.

Under these initiatives, the private sector played an active role in preparing the master plan for the regions. The plan preparation was funded by corporate funds, multilateral assistance, and private donations. For example, in the Biobio province of Chile, 27 master plans (nine PRES and 18 PRBC) were developed with private sector assistance, while 110 master plans (PRU) were developed with United Nations Development Programme (UNDP) assistance. The master plan served as a guidance for project prioritisation.

ENSURING QUALITY AND A GREATER PRIVATE SECTOR ROLE IN PLANNING POST-DISASTER RECONSTRUCTION – THE CASE OF THE CITY OF CONSTITUCIÓN, CHILE

The city of Constitución (in the Maule region), was one of the most affected coastal cities in the aftermath of the earthquake and tsunami. The city had a population of more than 53,000 at the time of the disaster. The reconstruction plans for the city started with the preparation of a Master Plan – the Strategic and Sustainable Reconstruction Plans (PRES) Constitución. The Master Plan was prepared through a private initiative led by a local private sector company (Arauco), which entered into an agreement with the MINVU and local and provincial authorities. The MINVU provided overall guidance on the proposed outcome of the plan. The preparation of the master plan was financed by Arauco and private sector donations, and developed within a 90-day timeframe.

The project was prepared by an expert team led by Elemental (an architectural firm) and included Tironi Associates (which provided assistance with stakeholder consultation), ARUP (an international engineering firm), Marketek consulting, Talca University, Foundation Chile (a technology think-tank) and other academic and research institutes. The plan was developed through an active citizen participation process and the final Master Plan document (including a list of prioritised projects) was finalised through a public referendum. The Master Plan included a portfolio of 28 projects aggregating US \$6 billion. The transparency in preparation, ownership by the government stakeholders, and the onus on public consultations helped allay local concerns about the role of the private party in the preparation of the plan.

5. Prioritising the preparation of integrated and coherent baseline information – a critical tool for faster decision-making

The MINVU realised that an effective and integrated information database (on the extent of the damage) was critical to aid decision-making and designing of the plan. The initial estimates of damage provided by the National Emergency Office (ONEMI)⁵ was considered to be unreliable. Therefore, the MINVU conducted an extensive time-bound study to estimate the damage levels across the following categories: Coast; Urban Adobe; Rural Adobe; SERVIU Social Housing; and Private Housing. After studying the data, MINVU arrived at a number of 195,950 homes eligible for subsidies. To confirm these numbers with the actual demand, MINVU conducted a “demand census”, inviting the affected population to enrol in the register of disaster victims to apply for reconstruction plan subsidies.

Also to ensure accuracy of the data captured in the register of disaster victims, the technical staff from the Municipal Works Office visited affected families to certify the extent of damage to their homes. This method ensured accuracy of the data captured and also ensured that only those in need received benefits.

6. The reconstruction plan provided the affected families with a pivotal role in the design and implementation of the plan

The MINVU’s objective was to provide construction subsidies to the affected parties to build an entirely new house, or to build a house on a beneficiary’s existing block of land. To apply for a construction subsidy for the construction of a pre-designed project on the beneficiary’s own site, disaster victims owning the land had to apply directly to SERVIU (Housing and Urban Development Service) and choose one of the pre-designed projects. The initiative not only accelerated the reconstruction process but also provided families with the opportunity to choose their home and become relevant stakeholders in the reconstruction process. As per the Ministry of Internal Affairs and Public Safety (MISP) report dated 2014, 97% of the people surveyed had knowledge of the plan’s existence and 63% were informed about the projects involved in the plan. This clearly illustrates the robust stakeholder engagement undertaken by MINVU and other agencies.

The MINVU also invited builders to bid on the construction of housing solutions on dispersed sites for a fixed sum of money. This measure benefitted applicant families as it created competition amongst the bidders, which offered better home solutions, such as additional floor space, better furnished houses and extra rooms.

⁵ This database was populated based on the information provided by mayors and military emergency authorities.