



Independent Impacts and Recovery Monitoring Phase 2: February-March 2016

Synthesis Report



The Asia Foundation



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Independent Impacts and Recovery Monitoring Phase 2

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PREFACE

In June 2015, The Asia Foundation began a longitudinal series of studies that seek to provide insights into the effectiveness of aid delivery and its impact on recovery in the aftermath of the disastrous earthquakes of April-May 2015 in Nepal. The studies track changes over time through a mix of quantitative and qualitative research methods to assess and understand how local contextual factors interact with state and non-state provision of aid. In doing so, the series go beyond damage assessments that have tended to focus on the quantification of impacts and costs. They focus also on social relations, cooperation and conflict, politics and leadership, and how they, with current aid efforts, shape the coping strategies of those affected. Combined with analysis of shifts in government structure and policy over the course of the series, the studies provide valid and reliable data on the direction and magnitude of public sentiment about state performance. They also enable a sharper focus and more precise placement of recovery/reconstruction goods and services.

Field data collection for the first study was completed two months after the quakes, with reports on findings from in-depth fieldwork and from a large representative household survey released in parallel. At the time, the Nepali government had completed a Post-Disaster Needs Assessment and successfully organized a donors' conference to help determine the overall level of official development assistance and government funds needed to recover from the disaster. Our first study affirmed the magnitude of the earthquakes' impacts. Housing destruction was widespread in highly impacted districts. In many wards in medium and lower impact districts, levels of destruction were higher than aggregated district level data revealed. The study also noted some crucial gaps in aid distribution. Many in highly impacted wards in medium impact districts missed out. There were vast differences across districts on how initial damage assessments were done

and how it was determined who was eligible for a beneficiary card.

The second round of research, the findings of which we report here, involved fieldwork in February and March 2016, almost one year on from the earthquakes. The Nepali government established a National Reconstruction Authority early this year and commissioned the development of a framework for recovery and reconstruction over the short, medium, and longer terms. Around the same time, violent protests surrounding the promulgation of the new constitution, and a debilitating five-month blockade along the Nepal-India border, had petered out. Findings from the second round of research thus provide a valuable snapshot of Nepali state performance over the course of a year of political turmoil as well as a substantive baseline that will allow for a future assessment of the NRA's performance.

Among the many interesting findings of the second study, the following are emblematic:

- Okhaldhunga district needs attention; only two percent of people in this crisis hit district received food aid in this round;
- Borrowing has risen with the number of borrowers doubling and average loan size increasing by over 400 percent in severely hit districts; there is great risk of a debt trap for the most vulnerable;
- There is a need to focus livelihood support on farming which is the main source of income of most people and which is recovering slower than other livelihoods; and
- Eighty percent of survivors in severely hit districts are still in contemporary shelter.

The third and fourth studies in the series are scheduled for September-October 2016 and March-April of 2017.

We thank our research partners (Democracy Resource Center Nepal and Interdisciplinary Analysts), our donor partners (UK Department for International Development and Embassy of Switzerland), and

Nepali government officials in the NRA and the Ministry of Federal Affairs and Local Development for their support.

A handwritten signature in blue ink, appearing to read 'G. Varughese'.

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This report summarizes and synthesizes findings from the second round of the Independent Impacts and Recovery Monitoring (IRM) project in post-earthquake Nepal. IRM consists of in-depth qualitative fieldwork and a large quantitative survey conducted in earthquake affected areas. The synthesis report was written by Mark Koenig, Lena Michaels, Sasiwan Chingchit, and Patrick Barron.

The qualitative work was conducted by researchers from Democracy Resource Center Nepal (DRCN), led by Sudip Pokharel and coordinated by Apurba Khatiwada. Analysis of the data was done by Amy Leigh Johnson, Anubhav Ajeet, Apurba Khatiwada, Shekhar Parajulee, and Sudip Pokharel from DRCN, and Asia Foundation project staff, Mark Koenig, Sasiwan Chingchit, and Lena Michaels. Special thanks goes to the team of researchers for their dedication in the field: the lead researchers Anubhav Ajeet, Chiran Manandhar, Nayan Pokhrel, Shekhar Parajulee, Subhash Lamichhane, and Ujjwal Prasai, and the researchers Alok Pokharel, Amanda Gurung, Anurag Devkota, Binu Sharma, Dipti Sherchan, Ishwari Bhattarai, Janak Raj Sapkota, Prapti Adhikari, Punam Limbu, Shikha Kiran Yadav, Smita Magar, and Tanka Gurung.

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The views here do not necessarily reflect the UK or Swiss government's official policies.

Executive Summary

This synthesis report combines and summarizes findings from the second wave of the Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM), a longitudinal mixed method research project designed to monitor aid impacts and patterns of recovery in earthquake-affected areas. The first round of research was conducted in June 2015. Fielding of the second round was carried out in eleven affected districts for the quantitative survey and in six districts for the qualitative component during February and March 2016. Districts included those in four categories of earthquake impact identified by the government's Post-Disaster Needs Assessment: severely hit districts (those most affected), crisis hit districts (second highest impact category), hit with heavy losses districts (third category), and a hit district (the least impacted of those affected).

Recovery and reconstruction have been slow due to delays from the government in establishing the National Reconstruction Agency (NRA) to oversee recovery efforts. Delays were exacerbated by violent protests and blockades along the Nepal-India border arising out of dissatisfaction towards the promulgation of a new constitution in September 2015. The blockade, which ended in February 2016, resulted in a severe shortage and price hike of fuels and other goods all over Nepal, hampering recovery and impacting aid. Fifty-four percent of survey respondents reported that the fuel crisis had led to a reduction, or even stopping, of aid flows to their community. It is within this context that IRM-2 presents a picture of recovery, aid effectiveness, and coping strategies of people in affected areas, almost one year on from the earthquakes.

Earthquake impacts and needs

As of March 2016, almost 80% of people in severely hit districts, those that were most affected by the earthquake, were living in temporary shelters. Most were able to make repairs to their shelters to get them through the winter but 21% percent said repairs were

not sufficient for the cold and five percent were unable to make repairs at all. Illness and extreme physical discomfort were common hardships endured by those unable to make their temporary shelter ready for the monsoon and winter. Children, the elderly, and pregnant women in temporary shelters were particularly vulnerable to sickness. To avoid hardships, some individuals moved back into their damaged homes. Ill health was compounded by the fact that across the 36 wards visited in the qualitative fieldwork, 25 health posts had been damaged by the earthquake. There has been little progress on repairing or rebuilding public infrastructure that was destroyed or damaged. Impacts on livelihoods have been widespread. While businesses or daily wage labors were the most negatively affected, these two groups recovered the most in the first quarter of 2016. Construction workers and unskilled laborers have found income opportunities as the need for labor for reconstruction and repairs has increased. In some areas, daily wages have risen two-fold. However, the majority of people are farmers and they have had more difficulties recovering fully. Most farmers have restarted agricultural activities but face remaining challenges from loss of a harvest, loss of livestock, displacement, and fear of landslides. Tourism was still struggling to recover from the losses incurred by the earthquake.

One year on from the earthquakes, cash and shelter have become higher priority needs. The proportion of people reporting cash as an immediate priority has risen from 41% in IRM-1 to 69% in IRM-2. Reconstruction materials are now identified by over one-third of respondents as a top-two priority. The need for cash and building materials are greatest in the most affected severely hit districts but are also high elsewhere. Immediate needs for shelter are greatest in Nuwakot, Ramechhap, and Sindhupalchowk. Food, while still an important priority, has slightly declined in importance since IRM-1 with demand for food higher in severely hit districts. The only districts with high immediate food needs among the non-severely hit districts are Okhaldhunga, where food aid has fallen to very low levels, and Solukhumbu, which is the poorest of the

surveyed districts. While food aid sharply decreased from IRM-1 to IRM-2, food consumption did not fall drastically. Food aid has been effectively targeted at areas with higher food insecurity and appears to have reduced the need to borrow for food. Water and sanitation were also identified as priority needs by people on the ground. VDC and district government officials appear to have a good understanding of local needs. The number of people stating they do not need aid any more has fallen since IRM-1. This suggests that some people have realized that the challenges of recovering have been greater than they initially expected.

Earthquake aid

The government continued to be the largest aid provider, followed by NGOs and INGOs. Overall, the number of people receiving aid in IRM-2 has declined in almost all districts. While aid is still primarily concentrated in severely hit districts, there is a trend towards decreased coverage in more affected districts and increased coverage in less affected districts. Government aid activities decreased after the last monsoon and focused primarily on cash assistance for temporary shelter construction and the winter. NGOs and INGOs provided more diverse range of aid but all of these three main providers have increased their aid in hit with heavy loss districts (the third category of impact). The trend is inconsistent across districts with aid remaining high in Solukhumbu (95% in IRM-2) whilst reducing significantly in Okhaldhunga (from 95% in IRM-1 to 58% in IRM-2).

Government coordination mechanisms functioned well after the earthquake but have become less active since the monsoon. Lack of coordination between different levels of government has meant that both local officials and earthquake-affected people do not have the information they need to plan their strategy for recovery. People do not understand whether or not they will be entitled to reconstruction assistance and when money will arrive. Coordination between the government and other aid providers has also become less effective and there has been extremely limited citizen participation in targeting or monitoring aid. Lack of transparency and consistency on how houses are classified across a series of damage assessments has led to complaints and tensions and these increased once people realized that such classifications would determine future access to aid. Despite these problems, satisfaction with most aid providers has increased since IRM-1.

Coping strategies

Borrowing has been the most common coping strategy. There have been large increases in both the

number of people taking loans and the size of loans. Forty-two percent of people in severely hit districts report borrowing since the 2015 monsoon, primarily for livelihoods but also for food and shelter. Borrowing is likely to further increase in the future. Sources of borrowing have changed since IRM-1, with more people turning to formal sources which charge lower rates of interest. However, the number of people borrowing from moneylenders has increased and they continue to lend the largest amounts per borrower. Some groups face credit constraints, either being less likely to receive loans or receiving smaller amounts. Low caste people, for example, borrow the least per person and higher income households take out much larger loans than others. The findings point to too risks: that some groups vitally in need of credit miss out, slowing their recovery; and that those who can access credit are unable to repay their loans leading to debt traps in the longer run.

Other coping strategies have been less prominent. Remittances have increased in importance as an income source, but do not appear to have risen in volume. Migration has been relatively low. Six percent of households migrated after the earthquake but most have returned home. Asset sales have been very low, with 6% selling some assets since the earthquake. The vast majority of asset sales (89%) have been livestock. There has been almost no sale of land, in part because people do not want to make such sales unless they need to, in part because the market for land has collapsed.

Politics and leadership

Political parties continue to play a major role in decision-making around aid. They are consulted by local officials in much the same way they are in other areas of local governance. Parties have played useful roles, channeling information between local government and citizens. However, there has been rising dissatisfaction with the role parties have played in responding to post-earthquake needs, with 61% reporting unhappiness. A key reason for this dissatisfaction is perceptions that the damage assessments were politicized and declining levels of aid have also contributed.

There is no evidence of emerging new leadership challenging existing political dynamics. Ward Citizen Forums have played an increasing role since IRM-1, but this has largely related to aid distribution with key decisions still taken elsewhere. There are some indications of changes in political preferences but most voters say they are still undecided as to who they will vote for in the next election.

Social relations and conflict

Feelings of safety have improved since IRM-1. Whereas 83% of respondents in IRM-1 reported feeling safe in their communities, this has increased to 97% in IRM-2. There do not appear to be any changes in crime rates and there has been almost no violence. While crime rates have stayed steady, some cases of gender-based violence, and issues with alcohol intake, were reported. It is unclear whether these problems have increased since the earthquake, as they were also present before, but these issues should be monitored closely. Perceptions of safety do not vary between men and women but people in temporary shelters are much more likely to feel insecure than others.

In most communities, social relations have remained strong. The early post-earthquake period saw people coming together to help each other respond to the difficulties they faced, and this sometimes crossed caste and other identity lines. In one-quarter of the wards studied in the qualitative fieldwork, some tensions had arisen, but these have not led to open conflict or violence. Issues generally related to displacement and resettlement, perceived discrimination or unfair treatment in relief distribution, and conflict over scarce water. Several cases had a perceived caste or ethnic dimension to them. People widely feel that those of all identities have had equal access to aid and that aid distribution by Village Development Committees/Municipalities has been fair. However, the qualitative fieldwork found cases of perceived unfair distribution. Both equal distribution of aid and more selective targeting based on need have caused problems at times.

Conclusions and recommendations

The report presents independent recommendations, which are not necessarily those of the UK or Swiss governments:

- (1) Focus on short and medium term improvements to temporary shelters
 - Develop a strategy to provide new, or improve existing, temporary shelter
 - Prioritize programs to mitigate the consequences of staying in temporary shelter
- (2) Provide more accessible opportunities for affordable credit and more cash grants to avoid debt traps
 - Expand soft loans programs and advertise them more widely, especially in rural areas
 - Regulate interest rates of informal lenders
- (3) Adjust strategies so aid delivered fits with evolving needs
 - Focus on cash support and housing
 - Extend food aid
 - Develop strategies to help farmers recover
 - Strengthen channels so local communities can express their needs
- (4) Enhance communication with affected communities and local officials
 - Develop a communications strategy outlining information on recovery programs
 - Enhance formal information sharing between levels of government
- (5) Develop new coordination strategies
 - Find ways to even out aid across districts
 - Revisit formal coordination mechanisms, ensuring clear roles and responsibilities
- (6) Think through targeting strategies within communities
 - Ensure targeting is context-sensitive and based on clearly communicated criteria
 - Expand local mediation capacity
- (7) Develop coherent policy for supporting displaced persons
 - Complete geological assessments
 - Develop policy for permanent resettlement
 - Clarify policy on use of public land for the displaced
- (8) Expand the recovery effort beyond physical reconstruction
 - Better understand the earthquake's impact on education, health care, and inclusion
 - Increase investment in psycho-social programs, especially for children

LIST OF ACRONYMS

CBS	Central Bureau of Statistics
CDO	Chief District Officer
CGI	Corrugated Galvanized Iron
CPN-UML	Communist Party of Nepal (Unified Marxist Leninist)
DDC	District Development Committee
DDRC	District Disaster Relief Committee
DLSA	District Lead Support Agencies
DRCN	Democracy Resource Center Nepal
IDA	Interdisciplinary Analysts
INGO	International non-governmental organization
IRM	Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal project
MJF-Nepal	Madhesi Jana Adhikar Forum, Nepal
NeKSAP	Nepal Food Security Monitoring Program
NGO	Non-governmental organization
NMKP	Nepal Mazdoor Kisan Party
NPR	Nepali Rupees
NRA	National Reconstruction Authority
PDNA	Post-Disaster Needs Assessment
RDC	Relief Distribution Committee
RPP	Rastriya Prajatantra Party
RPP-N	Rastriya Prajatantra Party Nepal
UCPN (M)	Unified Communist Party of Nepal (Maoist)
UN	United Nations
UNICEF	United Nations Children's Emergency Fund
UN OCHA	United Nations Office for the Coordination of Humanitarian Affairs
VDC	Village Development Committee
WCF	Ward Citizen Forum

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Photo: Tenzing Paljor



Chapter 1. Introduction

Photo: Ashray Pande

1.1 Background

The lives of eight million people, almost one-third of the population of Nepal, were impacted by the earthquake of 25 April 2015 and the subsequent aftershocks.¹ The Post-Disaster Needs Assessment (PDNA), prepared by the Government of Nepal in August 2015, found that over 8,790 people were killed and 22,300 injured across 31 affected districts, 14 of which were declared severely or crisis hit.² Damages and losses totaled over NPR 590 billion. One year on, how are the earthquake-affected recovering? How effective has the aid response been? And what needs remain?

This report provides findings from the second round of the Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM) research project. IRM is a longitudinal mixed methods study, involving rounds of household surveying and

qualitative fieldwork at regular intervals in the same locations. The second wave of research (IRM-2) was conducted in 11 quake-impacted districts from February–March 2016. The report synthesizes findings from both components of research. More data and detailed findings can be found in the qualitative and quantitative reports, which are published in parallel.³

IRM is premised on the belief that the impacts of major disasters such as the Nepal earthquake do not only manifest immediately but play out in complex and multidimensional ways over the longer run. Many of the direct impacts—deaths and injuries, decimated houses and public infrastructure—are immediately apparent. The PDNA quantified such damages and losses and the first round of IRM also provided information on the level of destruction.⁴ Yet disasters affect

¹ Government of Nepal, National Planning Commission. *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*. Kathmandu 2015. (available at: http://www.npc.gov.np/images/download/PDNA_Volume_A.pdf) Throughout, the report notes the impacts of ‘the earthquake’, but this also includes the impacts of the subsequent aftershocks, which affected many people.

² Ibid.

³ The qualitative field research was conducted by Democracy Resource Center Nepal (DRCN) from 20 February to 8 March 2016. The quantitative survey was conducted by Interdisciplinary Analysts (IDA) from 12 February to 11 March. The Asia Foundation

and Interdisciplinary Analysts (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Quantitative Survey (February and March 2016)*. The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February and March 2016)*.

⁴ The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation.

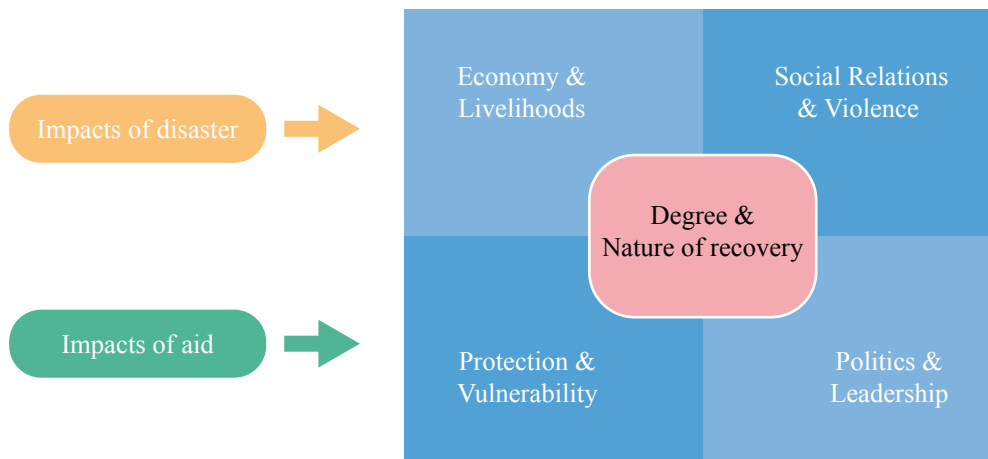
populations in many other ways that often take time to appear. Social, economic, and political structures and institutions can be affected by such massive shocks. Understanding these deeper impacts requires tracking levels of recovery, and things that are supporting or hindering it, over time.

This second round of research builds on initial data collected during a first wave of research (IRM-1), which was concluded eight weeks after the earthquake. This report refers back to IRM-1's data on the delivery of humanitarian assistance and the earliest phases of recovery to better understand how the situation has evolved as households have sought to cope with the challenges of the monsoon and winter seasons and as

the relief effort has shifted from emergency assistance to recovery and reconstruction.

The pace of recovery, and the experiences of different population groups, will be determined by the level of earthquake impacts, the aid response, the coping strategies employed by affected households and communities, and the political and economic context in which the recovery is taking place. IRM focuses on each of these issues at the local level to assess the extent to which recovery is taking place, how this varies between groups and areas, and the causes of differences in the degree and nature of recovery (Figure 1.1).

Figure 1.1: Analytic framework



1.2 Methodology

The IRM-2 quantitative survey involved face-to-face interviews with 4,850 respondents, plus surveys with ward leaders, across 305 wards. These were conducted in 11 districts (Map 1.1), all of which were covered in the IRM-1 survey. Respondents in IRM-1 were selected using stratified randomized sampling. To assess changes since IRM-1, we sought to re-interview those people who were interviewed in the first wave of research. This was not always possible. In total, 1,558 people were interviewed in both IRM-1 and IRM-2. To boost the precision of district level estimates, an additional 67 wards were selected with

a minimum of 350 people interviewed per district. Another 1,000 households across four districts were added to allow for analysis of food insecurity. The household sample was distributed equally among men and women aged over 18. Data collection took place in: Nuwakot, Sindhupalchowk, Ramechhap, Gorkha, and Dhading (severely hit); Bhaktapur, Okhaldhunga, and Kathmandu (crisis hit); Solukhumbu and Lamjung (hit with heavy losses); and Syangja (hit). Severely hit districts are the most affected districts, followed by crisis hit districts, then hit with heavy losses districts, and then hit districts.⁵



Map 1.1: Locations of surveyed districts

The qualitative research involved teams conducting interviews, focus group discussions, and participant observation in six districts spread across different earthquake impact categories: Sindhupalchok, Gorkha, and Ramechhap (severely hit); Okhaldhunga (crisis hit), Solukhumbu (hit with heavy losses), and Syangja (hit) (Map 1.2). Research teams visited 16 village development committees (VDCs) and two municipalities, with two wards studied in each. Research took three-four days per VDC and was supplemented by interviews in district capitals. Sampling of locations was done at three levels—district, VDC, and ward—to maximize variation in

two factors that were predicted to affect the nature and speed of recovery: the degree of impact of the earthquake; and the degree of remoteness.

⁵ Affected districts were categorized based on the Nepali government's PDNA. More information on the methodology is provided in the IRM-2 survey report.



Map 1.2: Locations of qualitative research

The methodology for both components of the research was developed to ensure to the greatest degree possible that findings accurately reflect conditions and views in earthquake-affected areas. A few relevant details regarding the methodology and its limitations should be noted.

Timing of research

IRM-2 fieldwork was conducted from February to March 2016. During this period, large-scale government reconstruction policies and schemes had not yet been rolled out. As such, the report does not evaluate policies or aid provided after March 2016. Future rounds of IRM will capture more information on those developments.

Confidence in findings

The quantitative survey is representative of the full population of the 11 earthquake-affected districts where the survey was conducted. Across the whole sample, the error margin is +/- 1.4% at a 95% confi-

dence interval. Where we break down the surveyed population by impact, demographic, or other variables (for example, comparing the opinions of men or women, or patterns of recovery in districts with different levels of earthquake impact) the level of accuracy of survey findings reduces. For example, the margin of error for district-disaggregated analyses is +/- 5.2%. Additional households were added in four districts to allow for a focus on food insecurity. The results can be generalized at an error margin of +/- 4.0% in these districts.⁶ It should be noted that these margins of error are very small compared to most surveys, in Nepal and beyond.

Tracking the same areas over time

IRM is set up to see how conditions evolve over time. As a result, research is conducted in the same places for each wave. However, there were some changes in the districts studied between IRM-1 and IRM-2. IRM-1 was conducted before the PDNA classification of earthquake districts was completed. As such, adjustments were made for IRM-2 to make sure that research

⁶ Data from the Nepal Food Security Monitoring System (NeKSAP) was used to identify areas with different levels of food insecurity. The sample was boosted in four districts (Sindhupalchowk, Ramechhap, Gorkha, and Okhladunga) to allow for deeper analysis of food

security. Across food security categories in the four districts as a whole, the error margin is +/- 4.0%; across food security categories within each district, the error margin is +/- 7.0%. The NeKSAP data came from meetings held 15-30 November 2015.



Photo: Binu Sharma

aligned with the government's classification. For the household survey, three of the 14 districts surveyed in IRM-1 (Manang, Khotang, and Dang) were dropped from the sample as these districts were not included in the PDNA as impacted districts. The IRM-1 data was reweighted to reflect the change in district sampling and comparisons in this report use the reweighted data. For the qualitative research, Ramechhap and Solukhumbu replaced Dolakha and Makawanpur for the second round. Going forward, no further changes to district sampling are expected.

Perceptions and accurate reporting

The information provided throughout the report is based on the reports of those interviewed. People may have incentives to over- or under-report the level of impact they experienced, and their perceptions or feelings might not accurately reflect facts in some cases. The data and findings should be read with this in mind. But the use of both qualitative and quantitative research has allowed for triangulation of findings, which strengthens our confidence that they reflect reality.

1.3 Contextual changes since June 2015

A number of key contextual changes since IRM-1 was conducted have shaped recovery.

In the weeks after the disaster, as the monsoon rains began to descend in June 2015, individual citizens, the Government of Nepal, civil society, and the international community overcame extraordinary challenges to distribute relief and temporary shelter for thousands of displaced and homeless persons residing in earthquake-affected regions.

However, the shift from relief to recovery and reconstruction has been slow, in large part because of delays from the government in setting up a regulatory and administrative structure to oversee the earthquake effort. It took until December 2015 for the National Reconstruction Agency (NRA) to be established. Even after it was inaugurated in January 2016, political wrangling over who would lead it meant that it did not become active in practice for a number of months.

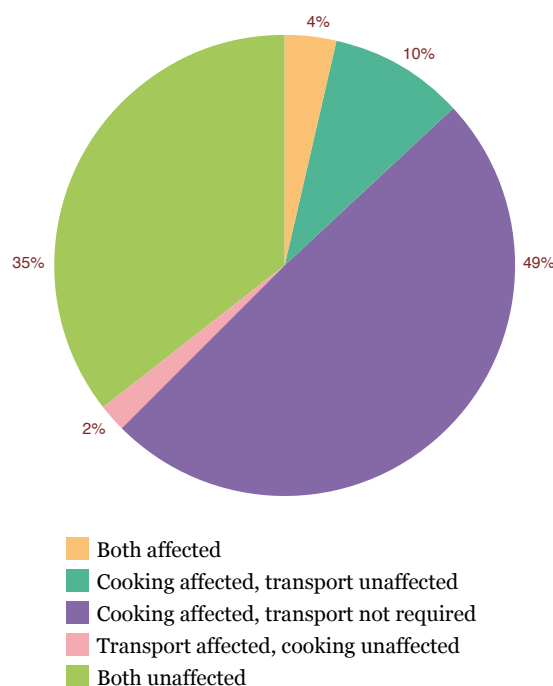
The delay in creating the NRA in turn led to delays in reconstruction efforts. These, combined with challenges communicating effectively with local earthquake-affected areas and persons, and multiple (sometimes conflicting) damage assessments, have meant that policies and plans have been unclear – for local officials and earthquake-affected people alike. As of the time of the IRM-2 fieldwork, government support for the reconstruction of private houses had yet to begin. In recent months the NRA has started to sign agreements with people who are eligible to receive reconstruction assistance.

These delays were exacerbated by political developments in Nepal. The promulgation of a new constitution on 20 September 2015, after years of delay and political deadlock, was a major development. But the new constitution was not welcomed by all. Dissatisfaction with elements, including the issue of federal boundary demarcation, led to protests, violent incidents, and an economic blockade along the Nepal-India border. This blockade of multiple major border crossings started in September 2015 and did not end until February 2016. This resulted in a severe shortage of fuel in the country and the scarcity of some other goods.

The shortage of fuel hampered recovery. The IRM-2 survey found that access to fuel for cooking affected two-thirds of people in earthquake-affected areas (Figure 1.2). Prices of goods increased markedly (Figure 1.3). There was also an impact on the distribution of aid. Fifty-four percent of survey

respondents reported that, while it was ongoing, the fuel crisis had led to a reduction, or even stopping, of aid flows to their community (Figure 1.4).

Figure 1.2: Effect of the crisis on access to fuel for cooking and transportation (IRM-2)



It is within this context that the report assesses how people have recovered, how the aid effort has helped, and what people have done to cope with these immense challenges.

Figure 1.3: Share saying the fuel crisis affected the prices paid for food types (IRM-2)

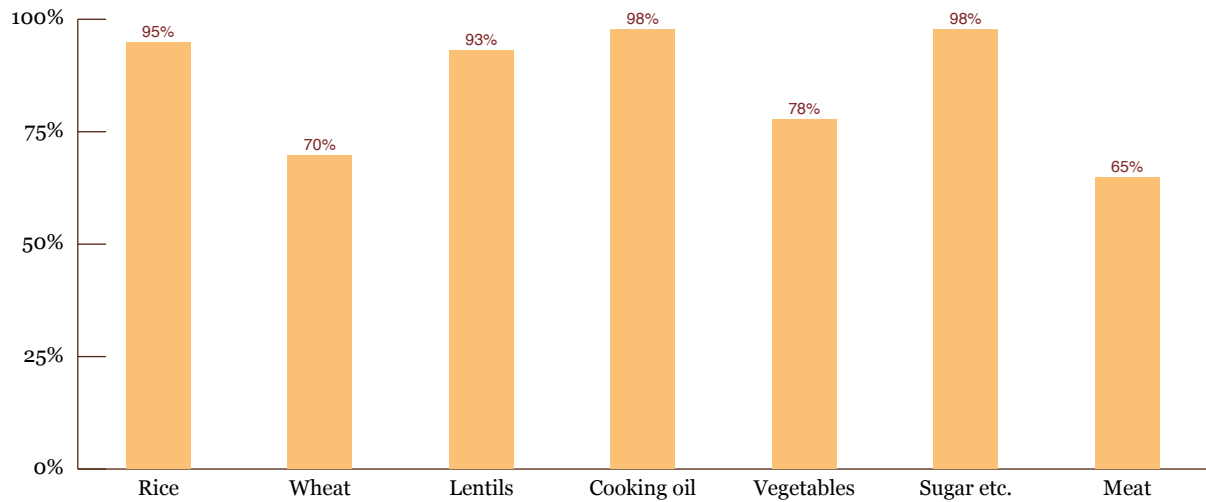
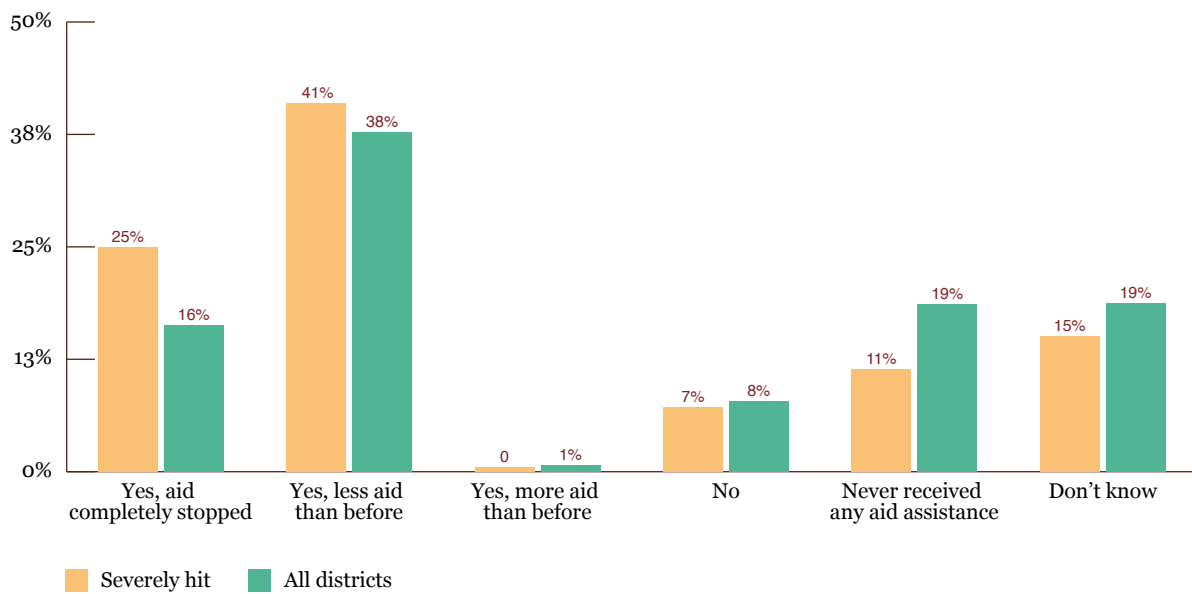


Figure 1.4: Share saying protests over the new Constitution and the fuel crisis affected aid assistance in people's ward – by district impact (IRM-2)



1.4 Report structure

This report covers a number of areas:

- *The impacts of the earthquake and critical needs of affected households and communities.* Chapter 2 considers the critical needs of the earthquake-affected, along with the scale of damage to property, public infrastructure and facilities, and disruption of livelihoods;
- *Earthquake aid.* Chapter 3 details the nature of aid provided and how this has changed over time, people's experiences and levels of satisfaction with assistance received and with those providing it, and the coordination and transparency of aid distribution;
- *Coping strategies.* Chapter 4 looks at how households have tried to cope with earthquake impacts through financial behavior, migration, and other means;
- *Politics and leadership.* Chapter 5 reviews the extent to which the earthquake and aid response have affected political party activities, roles and levels of influence, the emergence of new leadership, and political preferences;
- *Social relations and conflict.* Chapter 6 details the impacts of the disaster and response on security, sources of conflict, and social cohesion.

Analysis of the differing impacts on different population groups, differing patterns of recovery, and the extent to which groups are vulnerable, is provided throughout.

The report concludes with a summary of findings and a discussion of implications for aid and recovery efforts moving forward.



Chapter 2.

Earthquake Impacts and Needs

Photo: Alok Pokharel

IRM-1 outlined the immense physical impacts of the earthquake, with most housing in severely hit districts destroyed or badly damaged. In the emergency period, there was a vast array of needs for affected people, including for temporary shelter, food, and cash.

Almost one year on from the earthquake, many of the affected are still living in temporary shelter and urgently need support to help them move into more robust housing. Livelihoods are recovering but support to farmers is needed.

2.1 Key needs

One year on from the earthquake, the greatest needs in affected areas are cash, shelter, and food.

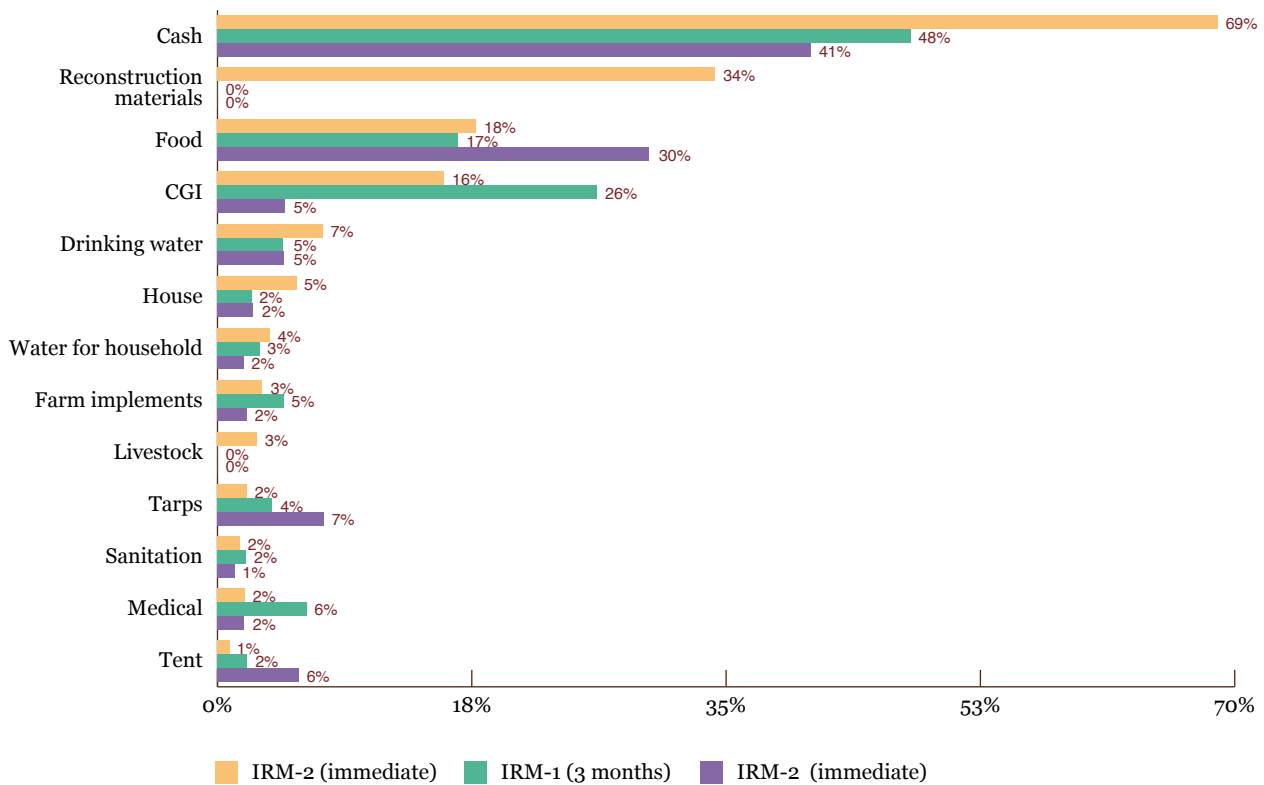
In IRM-1, conducted just after the earthquake, the most prominent immediate need reported by survey respondents was for cash, with 41% citing it as amongst their top two priority needs and 48% saying it was a top need over the next three months. The next most reported immediate need was for food (30%), followed by clean drinking water (5%). Prioritization of shelter was low and spread across the various shelter options fairly evenly: tents (6%), tarps (7%), corrugated galvanized iron sheets (CGI) (5%), and “houses” (2%).

One year on from the earthquake, cash and shelter have become higher priority needs for affected people. Food, while still important, is prioritized less than in IRM-1. Figure 2.1 compares needs prioritized by respondents across three time periods: needs in June 2015 (IRM-1 immediate needs); expected needs during

the 2015 monsoon season (IRM-1 three-month needs); and needs in February-March 2016 (IRM-2 immediate needs). The data show that cash is becoming an ever more important priority for people (41% in IRM-1, 48% as an expected need after IRM-1, and 69% in IRM-2). Qualitative data also suggest that cash and credit are increasingly top priorities for earthquake-affected people.

Over one-third of respondents identify reconstruction materials as a top-two priority in IRM-2. A much larger share of people say CGI is a priority immediate need than in the past (16% in IRM-2 compared to 5% in IRM-1), although this is less than the 26% of IRM-1 respondents who prioritized CGI as a three-month need. This reflects the fact that tarps have been distributed in large shares to households (71% in IRM-1 and 47% in IRM-2, see Chapter 3), while CGI distribution has been lower (7% in IRM-1 and 21% in IRM-2). Food, while still an important priority, has declined in importance since IRM-1. The importance of water, both for drinking and for other household

Figure 2.1: Priority needs (share in top two needs) – all districts
(comparison IRM-1 immediate needs, IRM-1 three-month needs, IRM-2 immediate needs)



* Data on reconstruction materials and livestock as needs were not collected in IRM-1. Blankets, clothes, and fuel are not shown in the figure, because shares prioritizing these (for both IRM-1 and IRM-2) are negligible.

uses, has increased since IRM-1. Other needs, such as livelihoods inputs and medicine, are much less commonly cited.

These findings were confirmed by the qualitative research which found that support for housing reconstruction was most commonly cited, with support for improving temporary shelter also mentioned. The need for cash grants or credit was also a frequently voiced need (the third most common across the areas studied). The second most frequent priority in the qualitative study was support for water and sanitation infrastructure, a need identified by 11% of respondents (7% drinking water and an additional 4% water for the household) in the quantitative research. Respondents who prioritized water were concentrated in severely hit districts, where 17% said it was a top priority.⁷

The need for cash and building materials is greatest in severely hit districts but also high elsewhere.

Eighty-five percent of people in the most affected districts say they need cash and over half in crisis hit and hit with heavy losses districts also say they need financial assistance (Table 2.1). Almost half in severely hit districts say they need reconstruction materials, with almost one-quarter of those living elsewhere stating the same.

Geological assessments to determine landslide risks were seen as a critical need in some locations.

The qualitative research found communities who rated the need for geological assessments as a very high priority because of perceived landslide risks.⁸ These communities emphasized the need to determine whether land was safe to live or work on. While it is unclear what the actual level of risk is, in all VDCs where research was conducted assessments have yet to materialize.

⁷ Food featured less prominently in the qualitative research, most likely due to differences in sampling methodology.

⁸ Locations included Syaule VDC (ward 8) in Sindhupalchowk and Barpak VDC (wards 2 and 5) in Gorkha.



Photo: Alok Pokharel

Table 2.1: Priority immediate needs (share in top two needs) – by district impact (IRM-2)

	Severely hit	Crisis hit	Hit with heavy losses	Hit	Total
Cash	85%	53%	65%	40%	69%
Reconstruction materials	47%	24%	22%	23%	34%
Food	23%	13%	17%	7%	18%
CGI	18%	9%	22%	9%	16%
Drinking water	11%	5%	2%	4%	7%
A house	11%	1%	0%	0%	5%
Water for household	6%	2%	1%	1%	4%
Farm Implements	5%	2%	2%	1%	3%
Livestock	4%	2%	3%	1%	3%
Blankets	2%	1%	6%	2%	2%
Tarps	3%	1%	2%	3%	2%
Medical	2%	2%	1%	3%	2%
Sanitation	3%	1%	0%	1%	2%
Clothes	1%	2%	1%	1%	1%
Tent	1%	1%	2%	1%	1%
Fuel	0%	2%	0%	0%	0%

VDC and district government officials appear to have a good understanding of local needs.

In general, the needs cited by local officials matched those expressed by citizens, with support for building reconstruction (including guidelines), cash and provisions for soft loans, and rebuilding of community infrastructure commonly mentioned during the qualitative fieldwork. However, food was not mentioned as a priority by government officials despite featuring prominently in the household survey results. Non-governmental organizations largely identified similar pri-

orities, although they also highlighted livelihood support as a means to aid earthquake victims' recovery.

The number of people stating they do not need aid any more has fallen since IRM-1.

Two months after the earthquake, 24% of people said they did not need aid. In IRM-2, the figure is 21%. This suggests that some people have realized that the challenges of recovering have been greater than they initially expected. In severely hit districts, just 1% of people say they do not need aid.

2.2 Shelter

As of March 2016, almost 80% of people in severely hit districts were living in temporary shelters.

The emphasis on shelter as a critical need is clearly linked to the large number of households who are still living in temporary shelters (Figure 2.2). While most

people have been able to stay on their own land, 6% in severely hit districts have had to build temporary shelters on other people’s land. This displacement is highest in Sinhupalchowk, where 16% of respondents were living in temporary shelter constructed on other’s land (Table 2.2). Less than 1% of survey respondents were living in temporary shelter on public land.

Figure 2.2: Where people are living now – by district impact (IRM-2)

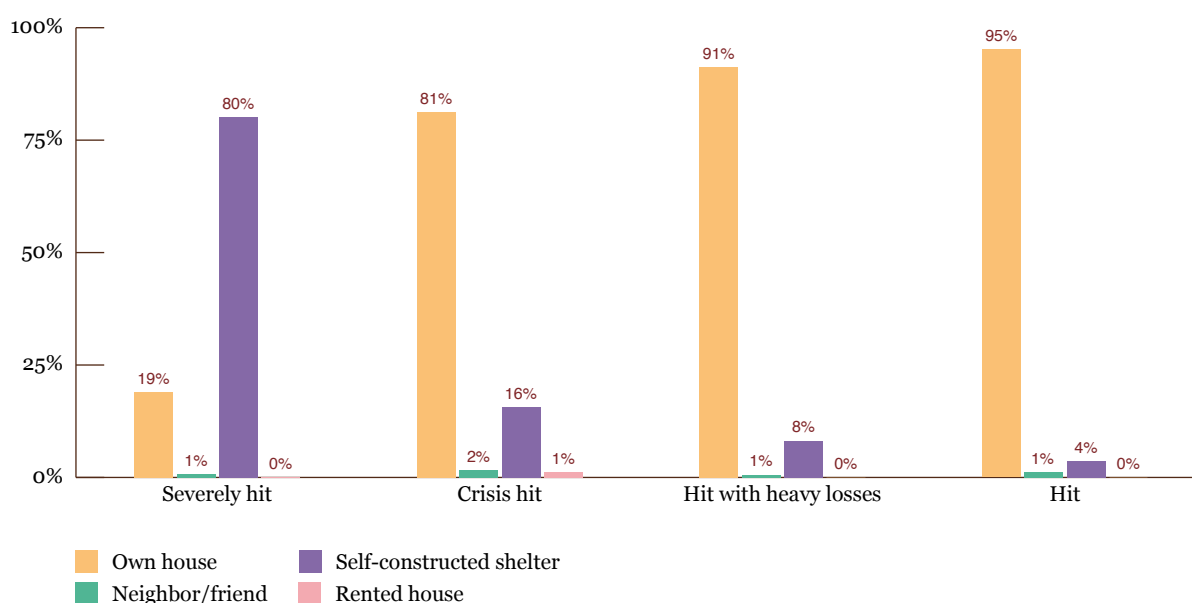


Table 2.2: Where people are living now – by district (IRM-2)

	Own house	Neighbor’s house	Friend’s house	Self-constructed shelter on own land	Self-constructed shelter on other people’s land	Self-constructed shelter on public land	Community shelter	Rented accommodation
Severely hit	19%	1%	0%	74%	6%	0%	0%	0%
Dhading	20%	1%	0%	77%	2%	0%	0%	0%
Gorkha	45%	2%	0%	50%	3%	0%	0%	0%
Nuwakot	9%	0%	0%	84%	5%	2%	0%	0%
Ramechhap	16%	0%	0%	80%	4%	0%	0%	0%
Sindhupalchowk	6%	0%	0%	78%	16%	0%	0%	0%
Crisis hit	81%	2%	0%	14%	2%	0%	0%	1%
Bhaktapur	79%	2%	0%	13%	2%	1%	0%	3%
Kathmandu	90%	1%	0%	8%	0%	1%	0%	0%
Okhaldhunga	76%	2%	0%	21%	1%	0%	0%	0%
Hit with heavy losses	91%	0%	0%	8%	1%	0%	0%	0%

	Own house	Neighbor's house	Friend's house	Self-constructed shelter on own land	Self-constructed shelter on other people's land	Self-constructed shelter on public land	Community shelter	Rented accommodation
Lamjung	92%	0%	0%	8%	0%	0%	0%	0%
Solukhumbu	91%	1%	0%	7%	1%	0%	0%	0%
Hit	95%	1%	0%	3%	1%	0%	0%	0%
Syangja	95%	1%	0%	3%	1%	0%	0%	0%
All districts	56%	1%	0%	39%	3%	0%	0%	1%

Most temporary shelters are made from either CGI alone (40%) or CGI with wood or bamboo (47%). Four percent are in shelters made entirely from bamboo, 3% in wooden shelters, and 2% in cow sheds.⁹

Immediate needs for shelter are greatest in Nuwakot, Ramechhap, and Sindhupalchowk.

These three districts were highly affected by the earthquake, with over 90% of houses damaged or destroyed in each. Two-thirds of people report shelter as an immediate need in these districts. Sindhupalchowk has received the highest level of

shelter aid in both IRM-1 and IRM-2, yet continues to have one of the highest levels of immediate need for shelter aid. This reflects the fact that most shelter aid so far has been for temporary shelter (Chapter 3). While 29% of people in the district have received reconstruction materials, 34% say that such materials are an immediate priority need and another 39% say that a house is a top priority. Demand for reconstruction materials is particularly high in Nuwakot and Ramechhap, both of which have received almost no materials so far. Demand is also high in Okhaldhunga.

Table 2.3: Share of people reporting shelter as priority immediate need – by district impact and district (IRM-2)

District	Shelter as priority immediate need						Housing damage (%)
	Tent	Tarps	CGI	Reconstruction materials	House	Shelter (total)	
Severely hit	4%	1%	18%	47%	11%	72%	94%
Dhading	1%	0%	20%	39%	6%	61%	97%
Gorkha	2%	0%	15%	35%	11%	58%	89%
Nuwakot	1%	0%	21%	69%	0%	84%	97%
Ramechhap	14%	2%	18%	59%	1%	79%	90%
Sindhupalchowk	1%	1%	19%	34%	39%	79%	97%
Crisis hit	1%	1%	9%	24%	1%	33%	49%
Bhaktapur	1%	1%	5%	16%	3%	24%	60%
Kathmandu	0%	0%	3%	17%	0%	19%	26%
Okhaldhunga	3%	2%	20%	40%	0%	57%	60%
Hit with heavy losses	3%	0%	22%	22%	0%	43%	44%
Lamjung	1%	0%	11%	23%	0%	33%	35%
Solukhumbu	6%	0%	33%	21%	0%	54%	52%
Hit	3%	2%	9%	23%	0%	32%	21%
Syangja	3%	2%	9%	23%	0%	32%	21%
All districts	3%	1%	16%	34%	5%	53%	66%

⁹ See Figure 5.4 in IRM-2 survey report.

Most people were able to make repairs to their shelters to get them through the winter.

Of those still living in temporary shelters, 72% said they were able to make repairs to their shelter that made it sufficient for the winter. Another 21% said

they made repairs but these were not sufficient for the winter. Five percent were unable to make repairs at all (Table 2.4). People in temporary shelters in less affected areas were less likely to have been able to make sufficient repairs for winter. This is most likely due to the relatively low levels of aid received in these areas.

Table 2.4: Were you able to make sufficient repairs to your shelter for the winter? – by district impact and district, those living in temporary shelters (IRM-2)

	Housing was not damaged	Was able to completely fix the house	Was able to repair and made it sufficient for winter	Was able to make repair but not sufficient for winter	Was not able to repair the house at all	Refused
Severely hit	0%	1%	75%	21%	2%	0%
Dhading	0%	1%	98%	1%	0%	0%
Gorkha	0%	1%	86%	12%	2%	0%
Nuwakot	0%	0%	60%	39%	0%	0%
Ramechhap	0%	1%	77%	21%	1%	0%
Sindhupalchowk	0%	2%	64%	27%	7%	0%
Crisis hit	1%	5%	50%	22%	21%	1%
Bhaktapur	0%	2%	45%	27%	25%	0%
Kathmandu	6%	16%	50%	16%	9%	3%
Okhaldhunga	0%	3%	53%	21%	24%	0%
Hit with heavy losses	0%	14%	47%	23%	16%	0%
Lamjung	0%	0%	59%	30%	11%	0%
Solukhumbu	0%	27%	37%	17%	20%	0%
Hit	0%	8%	46%	0%	46%	0%
Syangja	0%	8%	46%	0%	46%	0%
All districts	0%	2%	72%	21%	5%	0%

However, poor conditions in temporary shelters have led to much hardship.

With the exception of Syangja district, in all wards visited in the qualitative research the majority of

people whose homes had suffered significant damage lived through the monsoon and winter in temporary individual or community shelters. Some individuals chose to move back into their damaged or only partially repaired homes. It was reported that those



Photo: Amanda Gurung

who returned to their homes, or who managed to build durable semi-permanent shelters of wood or stone, did not suffer as much illness or physical hardship as those in lower quality temporary shelter.

Illness and extreme physical discomforts were common hardships endured by those unable to make their temporary shelter ready for monsoon and winter. Common challenges included leaking tarpaulins, drafty shelters, damp clothes, leech bites, and lower quality food, swollen hands and faces, fevers, coughs,

and other ailments. Children, the elderly, and pregnant women in temporary shelters were particularly vulnerable to sickness during both the monsoon and winter. Ill health among the earthquake-affected was compounded by the fact that across the 36 wards visited, 25 health posts had been either partially or fully damaged by the earthquake. Women faced issues relating to insecurity and discomfort in temporary shelters, exposure to danger as part of household duties, and increased burdens taking care of children and the elderly in challenging conditions.

Case Study 1: Health in temporary shelters

A widow in Baruneshwor Ward 1 has lived alone since her husband died 13 years ago. While other families in the village started constructing makeshift bamboo huts after the quake, she had more difficulty securing shelter. She borrowed money to supplement the NPR 15,000 given by the government and built a shelter made of bamboo, tarp, and CGI sheets. She has been frequently ill during the eight months she has lived there. Common visits to the hospital in the district headquarters has meant she has not been able to work regularly. She is thus losing out on daily wages while also spending an unexpected amount of money at the hospital. Due to her health needs, she spent the NPR 10,000 winterization cash given by the government on medical treatment. "I suffer from asthma," she said, "which has worsened after I started living in this cold hut."

Quake victims in Katunje are still in makeshift shelters and many children and the elderly have fallen ill. One old woman told researchers: "my 22-month-old granddaughter has been ill constantly since we started living in the shelter. Even my adult daughter caught a skin allergy after we shifted to the hut. Others have fevers." A 55-year-old man from the same VDC recounted the troubles he had suffered since his wife fell ill in their temporary hut. He took his wife to Biratnagar where, he believes, the health facilities are better and the hospital is better equipped. "The doctor asked us to avoid cold, smoke, and dust. How is that possible in the hut? The floor is of mud, the wall and the ceiling are made of CGI. How can it be warm? We use firewood for cooking which means we cannot avoid smoke." A mother in Katunje Ward 1 complained about her infant daughter's frequent fevers. The adults in the family have

also been falling sick repeatedly. She said, "if we had a proper house, we would not be wasting so much money on medicines."

The senior health assistant of Rampur health post told researchers that the number of patients has more than doubled following the quake. "Most patients had skin diseases and they also had psychological problems like fear and anxiety. After January, we treated many patients with pneumonia, coughs, fever, and problems related to breathing." He also noted an increase in malnutrition cases. "I treated 19 children with malnutrition after the quake. Since parents might be unable to work regularly, their regular income has been disrupted. This might have resulted in the lack of nutritious food at home." This health worker expressed further fears that health risks could escalate once summer began as unclean shelters became breeding grounds for mosquitoes, which transmit many diseases.

The chief of Katunje health post pointed to the lack of proper living spaces as the cause of an increase in health-related issues among the people in the VDC: "many children suffer pneumonia because they do not have enough warm clothes, proper food, and warm places to sleep. Children from more than half of the Dalit families of Wards 1 and 8 have fallen ill." He also pointed out that issues of malnutrition in Dalit children were not common before the quake, but now, "two children in Ward 8, one in Ward 2, and one in Ward 5 have been badly affected by severe malnutrition. Before the quake, there were only four cases of malnutrition in the entire VDC and now we have traced 17 cases of malnutrition. The majority of these children are from the Dalit families."

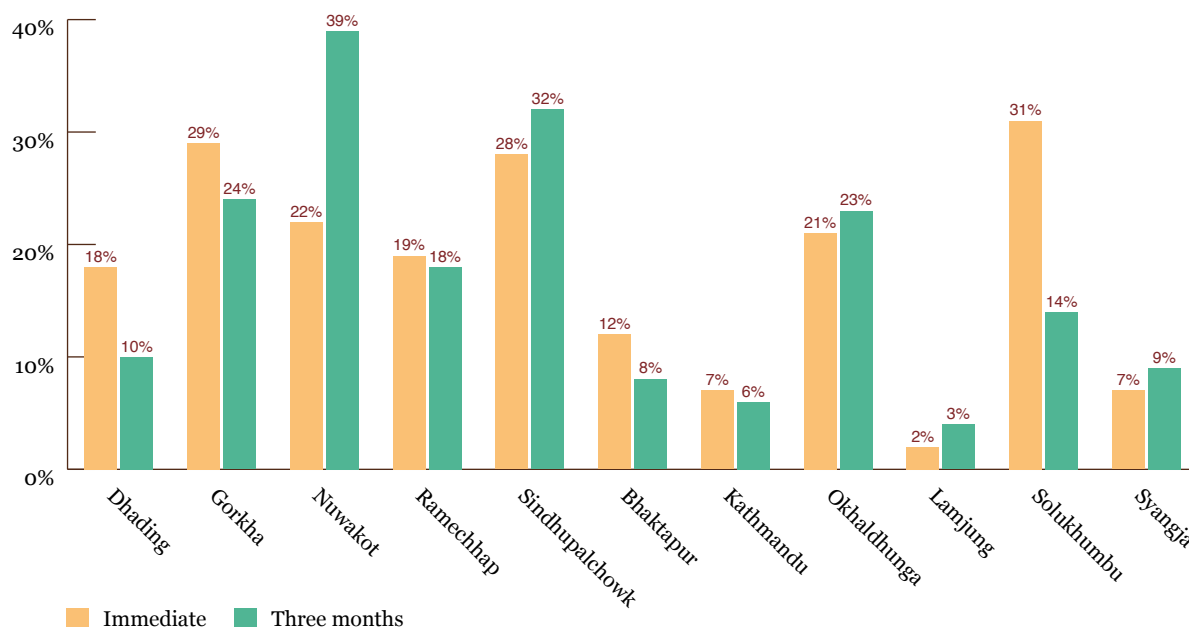
2.4 Food

While food has declined in importance since IRM-1, large amounts of people still say it is one of their top two priority immediate needs.

Current demand for food is the highest in the severely hit districts (23%) with 13% in crisis hit districts, 17% in hit with heavy losses districts, and 7% in the hit district reporting it as an immediate priority need. The only districts with high levels of immediate

food needs among the non-severely hit districts are Okhaldhunga, where food aid has fallen to very low levels, and Solukhumbu, which is the poorest of the surveyed districts (Figure 2.3). The latter district has the highest share reporting food as an immediate need, followed by Gorkha and Sindhupalchowk, the worst affected district in terms of damage to homes and livelihoods. Current and future food needs are the lowest in Lamjung, Kathmandu, and Syangja.

Figure 2.3: Share of people reporting food as among their top two needs immediately and in three months – by district (IRM-2)



Staples (rice and wheat) are the greatest food needs followed by condiments.

The demand for all types of food is the highest in the severely hit districts followed by the crisis hit districts

(Table 2.5). These patterns were roughly the same when households were asked what kinds of food aid they would need in three months.

Table 2.5: Share of people reporting food as priority immediate need – by district impact (IRM-2)

	Rice/wheat	Readymade food	Sugar, salt, etc.	Lentils	Vegetables	Meat	Food (total)
Severely hit	15%	2%	7%	0%	1%	1%	23%
Crisis hit	11%	1%	4%	1%	1%	0%	13%
Hit with heavy losses	10%	5%	6%	0%	0%	0%	17%
Hit	5%	1%	0%	0%	0%	0%	7%
All districts	12%	2%	5%	0%	1%	0%	18%

The number of people receiving food aid has fallen across almost all districts and this has led to decreases in food consumption.

Wherever food aid has fallen, a larger share of people report that consumption has slightly decreased since the 2015 monsoon compared to other districts (Table 2.6). This suggests that food aid is affecting overall consumption levels, despite households also reported borrowing for food as they coped with earth-

quake impacts. The share of people reporting that food consumption has decreased a lot is fairly low (7%) and most people have been able to cope with decreasing food aid. Dhading, however, which had the sharpest decline in households receiving food aid (93% to 38%), has the highest number of households reporting significantly declining food consumption since the 2015 monsoon (15%). This correlation is also seen in Sindhupalchowk (24% reported that consumption declined slightly or a lot), Gorkha (7%), and Ramechhap (6%).

Table 2.6: Food aid, borrowing, food consumption, and current need for food – by district impact and district (IRM-1 and IRM-2)

	Food aid			Borrowing for food (IRM-2)	Change in food consumption since monsoon (June 2015) (IRM-2)					Immediate need now (IRM-2)
	IRM-1	IRM-2	Difference (IRM-1 – IRM-2)		Increased a lot	Increased slightly	No change	Decreased a lot	Decreased slightly	
Severely hit	93%	65%	28%	35%	3%	26%	60%	9%	2%	23%
Dhading	93%	38%	55%	44%	1%	10%	73%	15%	1%	18%
Gorkha	89%	50%	38%	18%	6%	17%	70%	7%	0%	29%
Nuwakot	96%	87%	10%	33%	2%	44%	53%	1%	0%	22%
Ramechhap	89%	67%	22%	49%	7%	47%	41%	6%	0%	19%
Sindhupalchowk	100%	83%	17%	26%	1%	14%	62%	14%	8%	28%
Crisis hit	26%	7%	18%	40%	9%	26%	61%	5%	0%	13%
Bhaktapur	34%	11%	23%	18%	7%	24%	64%	5%	0%	12%
Kathmandu	9%	9%	0%	15%	11%	17%	68%	3%	0%	7%
Okhaldhunga	34%	2%	32%	54%	8%	35%	50%	7%	0%	21%
Hit with heavy losses	8%	24%	-16%	21%	3%	25%	69%	3%	0%	17%
Lamjung	6%	15%	-9%	27%	3%	22%	69%	4%	0%	2%
Solukhumbu	10%	33%	-23%	16%	3%	28%	68%	1%	0%	31%
Hit	3%	4%	-2%	37%	1%	39%	58%	3%	0%	7%
Syangja	3%	4%	-2%	37%	1%	39%	58%	3%	0%	7%
All districts	53%	37%	17%	35%	5%	27%	60%	7%	1%	18%

Food aid appears to reduce the need to borrow for food.

Table 2.6 also demonstrates a negative relationship between level of food aid and level of borrowing (-23%) in the five poorest five districts (Dhading, Nuwakot, Ramechhap, Okhaldhunga, and Solukhumbu). This suggests that food aid reduces the need to borrow, and could possibly imply that a continuation of the trend of reducing food aid could result in higher rates of borrowing for food in the future.

There is also a very high negative correlation between the proportion of borrowers who are taking loans for food and the shares within the district who cite food as a top current need in the poorest districts (- 86%). This suggests that where there has been less borrowing for food as a means to cope, there is also a greater immediate need for food.

Food aid has been effectively targeted at areas with higher food insecurity.

Using levels of food insecurity reported by the Nepal Food Security Monitoring System (NeKSAP), and the additional sample in four districts (Sindhupalchowk, Ramechhap, Okhaldhunga, and Gorkha), IRM-2 was able to carry out an analysis of how areas with different levels of food insecurity were experiencing food aid since the earthquake. More food insecure areas have received higher levels of food aid (Table 2.7). Severely food insecure areas have had near full coverage of food aid (96%). Volumes of food aid have also been larger at successively higher levels of food insecurity and the highest volumes are in the severely insecure category (103 days of stock for the household), double that in the highly insecure category (52 days).

Table 2.7: Food aid, borrowing, consumption, and need for food – by level of food insecurity (IRM-2)

NeKSAP food security classification	Food aid		Change in food consumption					Borrowed for food	Food as need	
	Share receiving food aid	Quantity of food aid (days of food per household)	Increased a lot	Increased slightly	Same as before	Decreased a lot	Decreased slightly		Immediate	Three-month
Minimally food insecure	28%	22	11%	23%	60%	6%	0%	18%	21%	21%
Moderately food insecure	55%	41	4%	27%	56%	9%	3%	19%	19%	24%
Highly food insecure	62%	52	4%	36%	52%	8%	1%	28%	22%	28%
Severely food insecure	96%	103	0%	17%	61%	15%	8%	14%	33%	42%
Total	55%	52	5%	28%	56%	8%	2%	21%	22%	26%

However, levels of food aid to severely food insecure areas are not enough to prevent reductions in food consumption.

Despite receiving higher levels of food aid, the severely insecure category has the largest share reporting that food consumption has decreased a lot (15%) and slightly (8%) since the monsoon. This suggests

that while food aid has been targeted effectively based on food insecurity, volumes of food aid are not enough. This is also reflected in the fact that food as a share of the top two needs is the highest in severely insecure regions now (33%) and in three months' time (42%), despite these places receiving the most food aid.

2.4 Livelihoods

The earthquake had major impacts on people's livelihoods.

IRM-1, conducted in June 2015 shortly after the earthquake hit, found that all occupational groups had suffered negative effects. Overall, 57% said that their main sources of income were affected by the earthquake, with shares affected declining with each successive impact category.¹⁰ Seventy-six percent of people were affected in the severely hit districts, 56% in the crisis hit districts, 34% in hit with heavy losses districts, and less than 10% in Syangja, the hit district (Figure 2.4).

Despite the widespread livelihoods impacts, very few people have changed their occupations as a response.

Only 0.6% of the total population, and 1% or less in each district, have changed their livelihoods because of the earthquake. In large part this is because most

people have multiple sources of income. For example, farmers may also undertake daily wage labor at quiet points in the agricultural cycle. The ability to shift to other forms of work to sustain income has meant that wholesale livelihood change is not necessary.

Business people and daily wage laborers were particularly affected but farmers make up the largest share of those affected.

As was the case two months after the earthquake (IRM-1), those who work in business or who are daily wage laborers are the most likely to say their income was negatively affected (Table 2.8). Given that many wage laborers earned relatively little, this group may be particularly vulnerable. Over half of those who make money from renting property or from farming their own land also report that their income was negatively impacted. Those who work for the government and, especially, those for whom remittances are a primary source of income, were less likely to see their income negatively affected. These people also tend to have higher incomes than many others.

While a lower percentage of farmers were impacted than business owners or wage laborers, 77% of survey

¹⁰ This includes people who said their income was either severely or somewhat affected.

respondents listed farming their own land as a main source of income meaning that in absolute numbers there were more farmers affected than any other income category.¹¹

Figure 2.4: Share of people whose source of income was affected by the earthquake – by district impact (IRM-2)

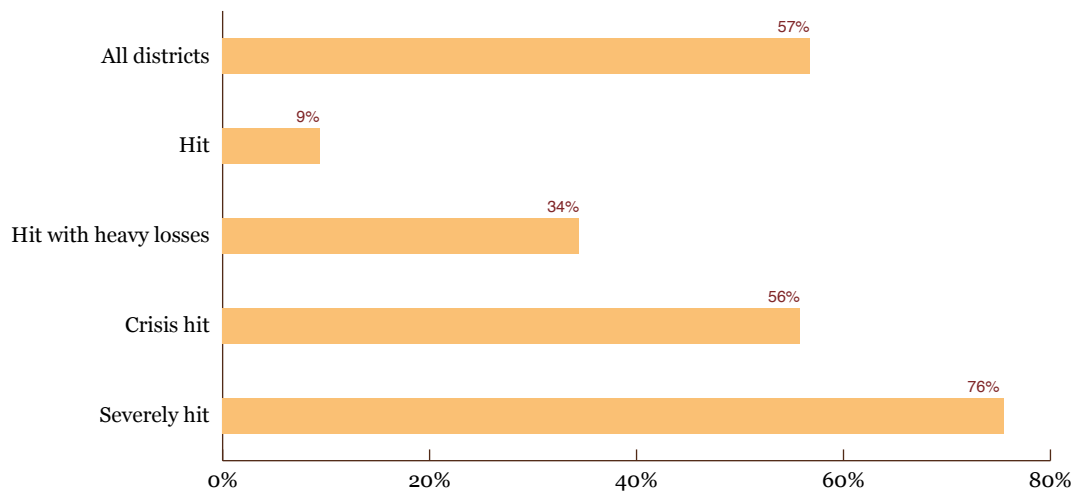
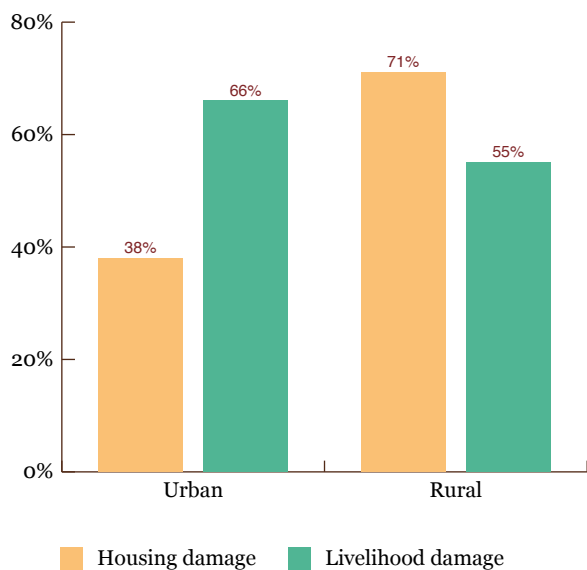


Table 2.8: Share of people whose source of income was affected by the earthquake – by district impact and district (IRM-2)

	Farming own land	Farming other's land	Daily wages	Own business	Remittances	Private company	Government service	Rent	Livestock
Severely hit	75%	56%	69%	74%	12%	37%	25%	71%	43%
Dhading	57%	11%	38%	72%	8%	44%	36%	100%	20%
Gorkha	76%	56%	77%	68%	13%	20%	23%	33%	49%
Nuwakot	85%	40%	75%	64%	9%	20%	15%	-	27%
Ramechhap	69%	85%	72%	79%	18%	50%	32%	50%	40%
Sindhupalchowk	90%	86%	83%	87%	12%	50%	22%	100%	77%
Crisis hit	41%	33%	60%	72%	12%	39%	31%	59%	20%
Bhaktapur	50%	21%	65%	86%	14%	48%	47%	53%	44%
Kathmandu	52%	75%	75%	86%	20%	60%	26%	66%	0%
Okhaldhunga	20%	3%	40%	43%	2%	9%	20%	-	16%
Hit with heavy losses	33%	8%	20%	44%	5%	25%	26%	33%	52%
Lamjung	7%	15%	9%	23%	3%	0%	7%	0%	4%
Solukhumbu	60%	0%	31%	65%	8%	50%	45%	66%	100%
Hit	9%	0%	11%	6%	6%	0%	3%	-	17%
Syangja	9%	0%	11%	6%	6%	0%	3%	-	17%
All districts	53%	43%	59%	72%	9%	41%	25%	57%	40%

¹¹ See Table 2.1 in IRM-2 survey report for figures on the occupation of people in earthquake-affected areas.

Figure 2.5: Housing damage and livelihood damage – by urban/rural (IRM-2)

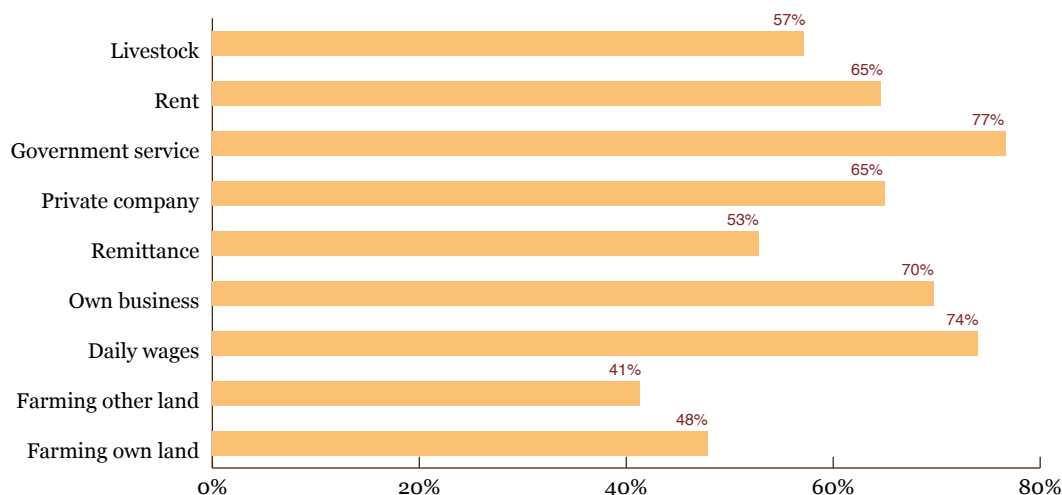


Livelihoods in urban areas were more affected.

The share of urban households reporting that livelihoods were somewhat or totally affected by the earthquake is 66% against 55% in rural areas. This is despite rural areas having suffered a far greater share of housing damage (71%) than urban areas (38%) – Figure 2.5. The differences in housing damage is clearly linked to the use of different housing materials.¹² The higher share of damage to urban livelihoods is likely a result of more people being engaged in businesses, private company employment, and wage employment relative to rural areas.

Among the three major livelihoods—farming, livestock-rearing, and businesses—the latter have recovered the most in the last three months (Figure 2.6).¹³ Seventy percent of those in business whose occupation was negatively affected report that their livelihood situation has improved over the past three months compared to 57% engaged in livestock rearing and 48% who farm their own land. Even larger proportions of those who work in government or who are daily wage workers, whose income was affected, have seen improvements in the last three months. But far fewer people work in these occupations (2.3% and 2.7%, respectively).

Figure 2.6: Share of affected sources of income that have improved in the past three months – by source of income, all districts (IRM-2)



Most farmers have restarted agricultural activities but face remaining challenges.

In the immediate aftermath of the earthquake, farming was affected because entire communities shifted their focus to the construction of temporary shelters. Other challenges included the fear of aftershocks and landslides, displacement from their

¹² Eighty-four percent in rural areas had homes with walls made with mud mortar against only 14% in urban areas; and 93% in urban areas used either galvanized or zinc roofs against only 63% in rural areas.

¹³ Time period: first quarter of 2016.

original settlements, and the inability to plant crops due to a lack of seeds or disruption of water sources in many highly impacted wards. The loss of draft animals, particularly in Sindhupalchowk, also affected productivity, especially when it was time for farmers to plough their fields. Displaced farmers were sometimes forced to sell their draft animals immediately after the earthquake at lower than market prices, and later had to purchase other draft animals to restart cultivation, generally paying a higher price.

The qualitative research found that most farmers restarted their agricultural activities after the 2015 monsoon, in some cases before. This is true even in the most severely affected areas of Gorkha and Sindhupalchowk. Increasing numbers of farmers started working their fields again after the monsoon season had ended, partly because the fear of aftershocks and earthquake gradually subsided, and the risk of rain-triggered landslides also decreased, but also because farmers could not afford to abandon their work for too long.

Farmers were less likely than others, however, to see recovery of their livelihoods in the first three months of the year. The time out from farming meant that many lost a harvest. The lack of capital to fully replace livestock affected many. Many farming inputs, such as seeds, were lost. For some, the fear remains that land they farm is unsafe. And those living away from their

land have struggled to return to their farms. Together, these challenges have meant that agricultural workers face particular challenges in recovering, with the earthquake's impacts still felt by farmers.

Businesses are recovering but those related to tourism have struggled.

In contrast, while fewer people work in business in highly affected areas, many of those who do suffered substantial economic losses. Impacts on businesses were mainly related to damages to business-related infrastructure. In the highly-hit wards in Gorkha and Sindhupalchowk districts, many shops and hotels sustained major damage and took some time to revive. For those in business, and related skilled labor, the speed of recovery has been dependent on the specific damage suffered, but the field work showed signs of general recovery, and the quantitative data in Figure 2.6 supports the finding that businesses are now recovering in earnest. In some cases, entrepreneurs have built new or expanded their businesses to take advantage of the opportunities afforded by reconstruction (Case Study 2). The clear exception to this has been the tourism industry. At the time of the field research, tourism, particularly in Solukhumbu and Gorkha districts, was still struggling to recover from the losses incurred by the earthquake.

Case Study 2: Young entrepreneurs in Syangja start a concrete block factory

A group of young entrepreneurs in recent months have started a factory to manufacture earthquake-proof concrete blocks. This group was looking into earthquake resistant building materials on the internet when they came across a model for concrete blocks that required relatively little capital. By their own admission, it was the earthquake that encouraged them to pursue this technology.

One of the leaders of the group was unemployed before the earthquake, and had been looking to start a business but had not yet found the right idea. When the earthquake damaged and destroyed many houses in their village, including their own, they began thinking about ways to rebuild in a safer way as houses made of mud, bricks, and stones were deemed unsafe. Internet

research led to the idea for concrete blocks, and coincidentally one of the entrepreneurs had a relative who ran a concrete block factory in Butwal who could provide guidance on how to start manufacturing. This helped the young men recognize that their new venture would not require a large up-front investment. The group registered a company in June 2015 and have invested NPR 800,000 to date, including the purchase of a machine from Thailand for NPR 300,000. They took training on manufacturing concrete blocks and started producing and selling blocks in September 2015. The group has been encouraged by the demand for the blocks, with new orders coming from surrounding villages. They expect increased demand as reconstruction efforts intensify.

There have been positive impacts on wage labor.

Wage labor, one of the major sources of livelihood across the affected districts, was also affected in the immediate aftermath of the earthquake, but impacts were mixed. Skilled laborers such as tailors, blacksmiths, and factory workers suffered economic losses due to disruption of their routines. Agriculture-related day labor was affected in the months after the earthquake, but this is slowly normalizing now. Laborers

engaged in construction and unskilled manual labor had opportunities after the earthquake to help clear away damaged structures, build temporary shelters, and work on some of the limited reconstruction activities that had started. As demand for labor increases, there is some evidence that wages for day laborers are also increasing. The qualitative research found that in some locations there has been a doubling of wages.¹⁴ The increase in wages for construction jobs led to some farmers choosing to engage in more daily wage labor to supplement their regular income from farming.

Case Study 3: Trekking loses, masonry gains

At least one person in each household in Kerung VDC is either a mason or a carpenter. Another very important source of livelihood is trekking and tourism. On average, one person from each household in the VDC also spends between two and three months each year working as a trekking guide or a porter. According to a low level porter, an individual can earn approximately NPR 70,000 per season. The total amount for the entire VDC is a significant sum. During the off-season, these people work in secondary occupations such as farming and small businesses.

After the earthquake, with the increase in demand for reconstruction of both semi-permanent shelters and permanent houses, there has been an increase in the price of timber

and in the wage of the masons. A mason from Kerung 1 said that there had been at least a 40% increase in the price of timber since the monsoon, and a 30-60% increase in the daily wages of masons. Some masons from Kerung are even now traveling outside of the district to build houses in areas where wages are much higher.

Although trekking has taken a major hit due to the earthquake, it is hoped that the sector will bounce back to near normal levels in the high tourist season in the Fall of 2016. If this return comes, the economy of the VDC should see a major boost. The availability of a high number of masons in this locale has the potential to be a great local asset as reconstruction efforts start in earnest.

2.5 Infrastructure and service delivery

The earthquake also impacted public services. Households reported that schooling suffered the most significant setbacks from the earthquake. One-third of respondents in IRM-1 stated that access to schools worsened a lot because of the earthquake and 36% stated that somewhat worsened.¹⁵ Other public services were relatively less affected but respondents still noted negative impacts. While 45% of the IRM-1 sample responded that electricity had worsened (either a lot or somewhat), a significant number of

people reported that other services also suffered similar setbacks: 35% for drinking water, 31% for motorable roads, and 28% for medical facilities.

There has been little progress on repairing or rebuilding public infrastructure.

In Ramechhap, only 13% of damaged public infrastructure in the wards visited by the qualitative research team had been rebuilt, or was in the process of being

¹⁴ In Bamtibhandar VDC in Ramechhap district, wages jumped from NPR 600 to NPR 1,200 per day for skilled laborers such as masons and carpenters, and from NPR 450 to NPR 900 for unskilled laborers. Similarly, in Barpak VDC in Gorkha district, and Katunje

VDC in Okhaldhunga district, daily wages rose from NPR 600 to NPR 1,000 for skilled laborers.

¹⁵ IRM-1 survey report, p. 17.

rebuilt, when the research team visited. In Gorkha and Solukhumbu, the figure is 15%. In Okhaldhunga, none of the damaged public infrastructure had been, or was being, rebuilt. Sindhupalchowk was the exception, with 45% of damaged public infrastructure in the wards visited either rebuilt or in the process of being rebuilt.

Figure 2.7 shows that water and irrigation infrastructure was the most likely to have been rebuilt by IRM-2, with the repair of health posts receiving the least amount of attention at the time of the field research.

Figure 2.7: Reconstruction of damaged infrastructure (IRM-2 qualitative research)

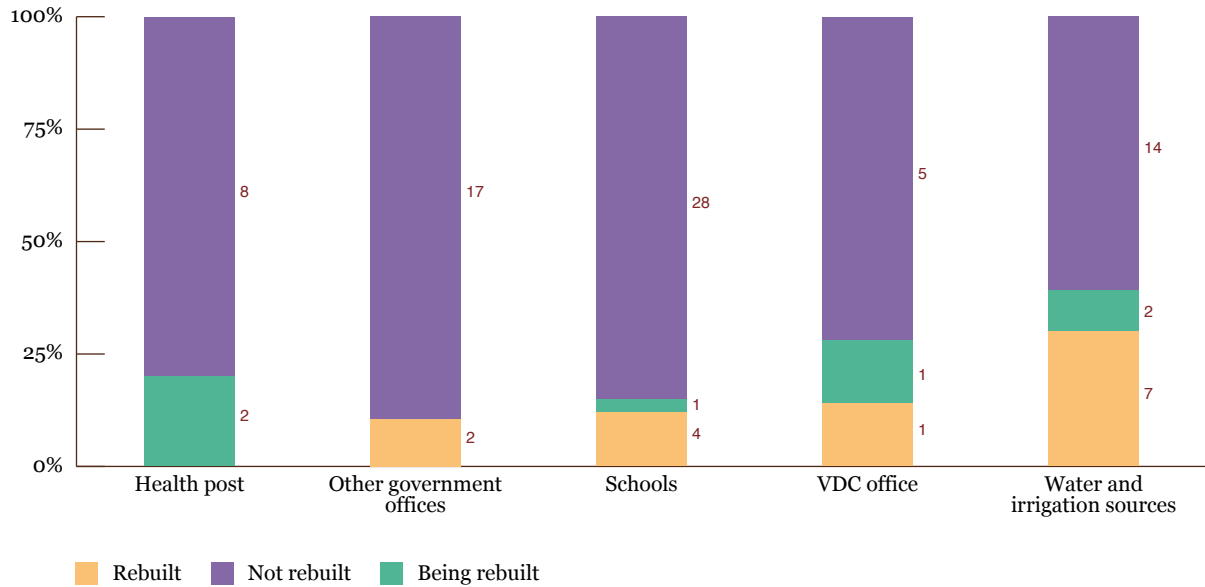


Figure 2.8: Satisfaction with public services (IRM-2)

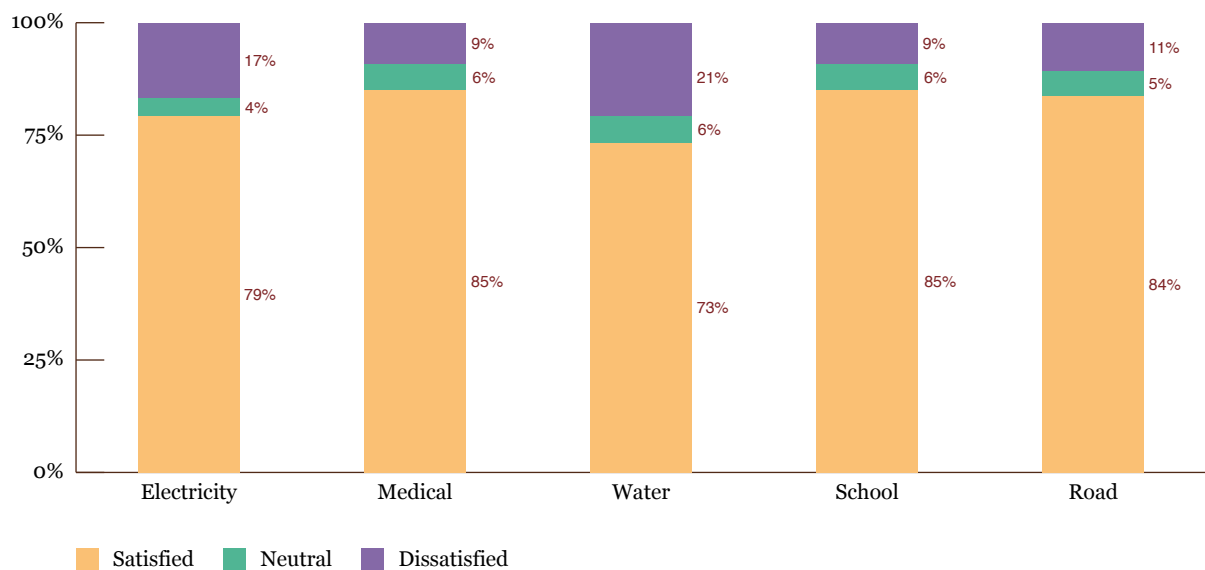
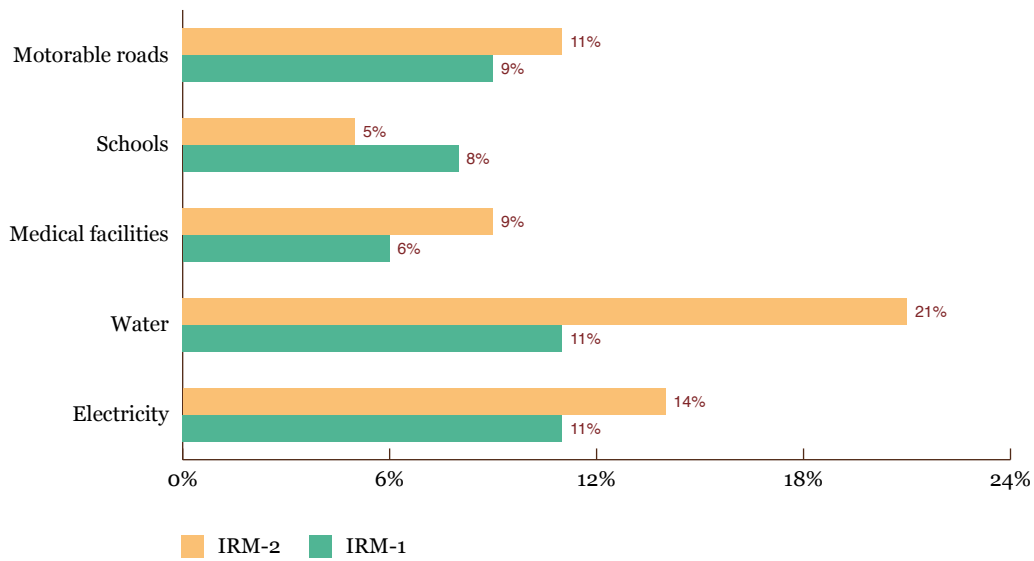


Figure 2.9: Dissatisfaction with services – individual panel data (IRM-1/IRM-2 comparison)



People are most dissatisfied with water and electricity services.

Given the limited effort to rebuild public infrastructure to date, it would be expected that satisfaction with service delivery might be impacted. IRM-2 survey respondents were asked about their satisfaction level with electricity, drinking water, medical facilities, schools, and roads in both waves of the survey (Figure 2.8).¹⁶ Respondents in IRM-2 were most satisfied with schools (85%). The greatest level of dissatisfaction was with two services: drinking water (21% dissatisfied) and electricity (17%). Only 11% expressed dissatisfaction with motorable roads and 9% with medical facilities.

Levels of dissatisfaction have increased for all services, except for schools.

Overall, 1,558 individuals across the 11 districts were surveyed in both IRM-1 and IRM-2. Figure 2.9 compares responses across the two surveys using the panel data. The greatest rise in dissatisfaction is for water with 21% dissatisfied compared to 11% in IRM-1. The dissatisfaction level has increased by three percentage points for electricity, three percentage points for medical facilities, and two percentage points for motorable roads. This suggests growing frustration as these services have not fully recovered or improved. In contrast, IRM-2 respondents who were also interviewed in IRM-1 were more likely to express satisfaction with schools than before.

¹⁶ The figure combines very satisfied and somewhat satisfied as satisfied, and very dissatisfied and somewhat dissatisfied as dissatisfied.



Chapter 3. Earthquake Aid

Photo: Amanda Gurung

IRM-1 was conducted while the emergency earthquake response was coming to an end and recovery programs were beginning. The results from IRM-2 reflect the changing nature and volumes of aid as relief shifted to a focus on winter-related needs and then preparations for reconstruction. IRM-2 found that aid of most types

had decreased in reach and volume yet satisfaction with most aid providers had increased. Contention related to damage assessments, and the corresponding targeting of assistance, did, however, emerge in the IRM-2 research.

3.1 Aid received since the 2015 monsoon

The number of people receiving aid has declined in almost all districts.

Table 3.1 shows the shares of households not receiving aid, comparing IRM-1 to IRM-2. All districts surveyed in IRM-2, with the exceptions of Lamjung and Syangja, saw a decrease in the proportion of households receiving aid. Whereas in IRM-1, 0-3% of people in each of the severely hit districts had not received aid, this has risen to 2-8% for IRM-2. A very high percentage of Solukhumbu households received aid (95% in IRM-2) despite its being in the third impact category. This is in stark contrast to Okhaldhunga, which has seen a particularly large decrease in the share of people receiving aid: from 95% in IRM-1 to 58% in IRM-2 despite the district being classified in the second impact category.

While aid is still primarily concentrated in severely hit districts, there is a trend towards decreased coverage in more affected districts and increased coverage in less affected districts.

In IRM-1, only 1% in severely hit districts had not received any aid since the earthquake. But since June 2015, the share has increased to 5%. Similarly, in crisis hit districts, the proportion of people receiving no aid increased from 40% (IRM-1) to 59% (IRM-2). In contrast, aid coverage has increased in hit with heavy losses districts, with those not receiving aid decreasing from 31% to 29%. In the hit district, there has been a larger decline in the proportion of people not receiving aid: from 86% to 70%. Aid provision in rural areas has been higher, with only 24% not receiving any aid compared to 67% in urban areas. For most types of aid, a larger proportion of people in rural

areas received assistance than in urban areas. This is perhaps unsurprising given the greater impacts from the earthquake in rural areas.¹⁷

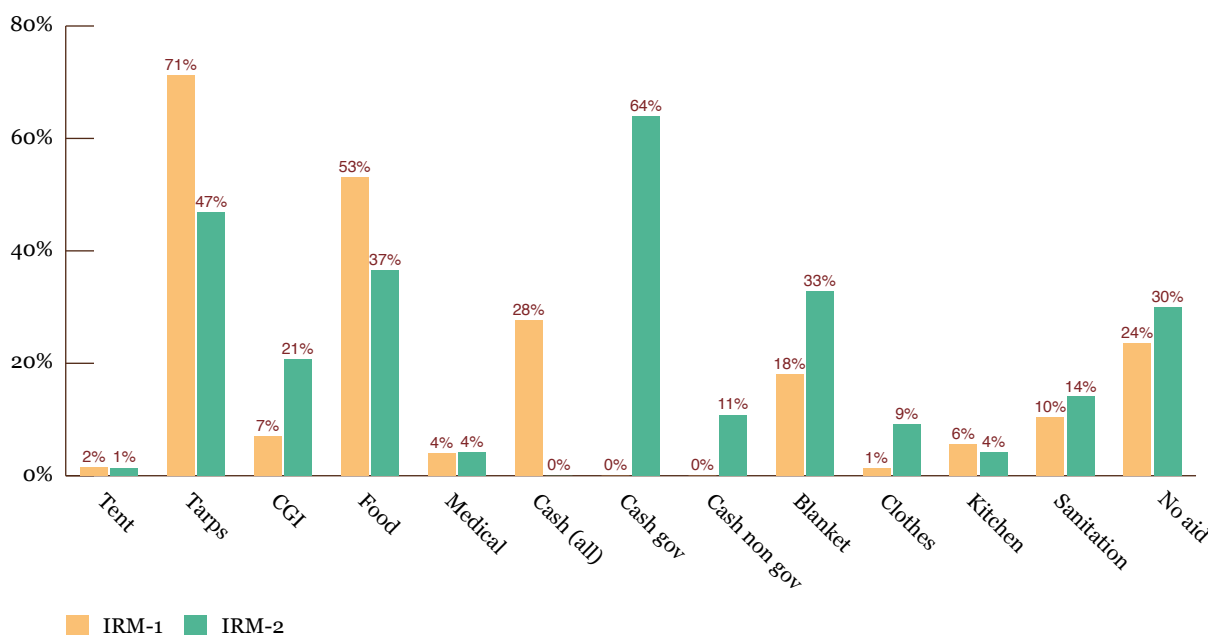
The nature of aid has changed as time has passed with cash becoming the most common form of assistance.

IRM-1 found that tarps, food, and cash were the most common types of aid received in the emergency response phase of earthquake relief. Nearly one year on from the earthquake, the IRM-2 survey shows a major decline in the share of people receiving tarps (from 71% to 47%) and food (from 53% to 37%). These types of aid are still common, but have been distributed much less than during the initial weeks after the earthquake. In contrast, there has been a large increase in the proportion of people receiving cash. ¹⁸ Since the beginning of the 2015 monsoon, cash has been the dominant form of aid (Figure 3.1). The focus on winter relief can also be seen in Figure 3.1, with the distribution of blankets nearly doubling and clothes distribution increasing from 1% of people (IRM-1) to 9% (IRM-2).

Table 3.1: Share of people not receiving aid – by district impact and district (IRM-1/IRM-2 comparison)

	IRM-1	IRM-2
Severely hit	1%	5%
Dhading	3%	8%
Gorkha	3%	7%
Nuwakot	1%	2%
Ramechhap	0%	5%
Sindhupalchowk	0%	3%
Crisis hit	40%	59%
Bhaktapur	46%	58%
Kathmandu	70%	77%
Okhaldhunga	5%	42%
Hit with heavy losses	31%	29%
Lamjung	63%	53%
Solukhumbu	4%	5%
Hit	86%	70%
Syangja	86%	70%

Figure 3.1: Share of people receiving different types of aid – all districts (IRM-1/IRM-2 comparison)



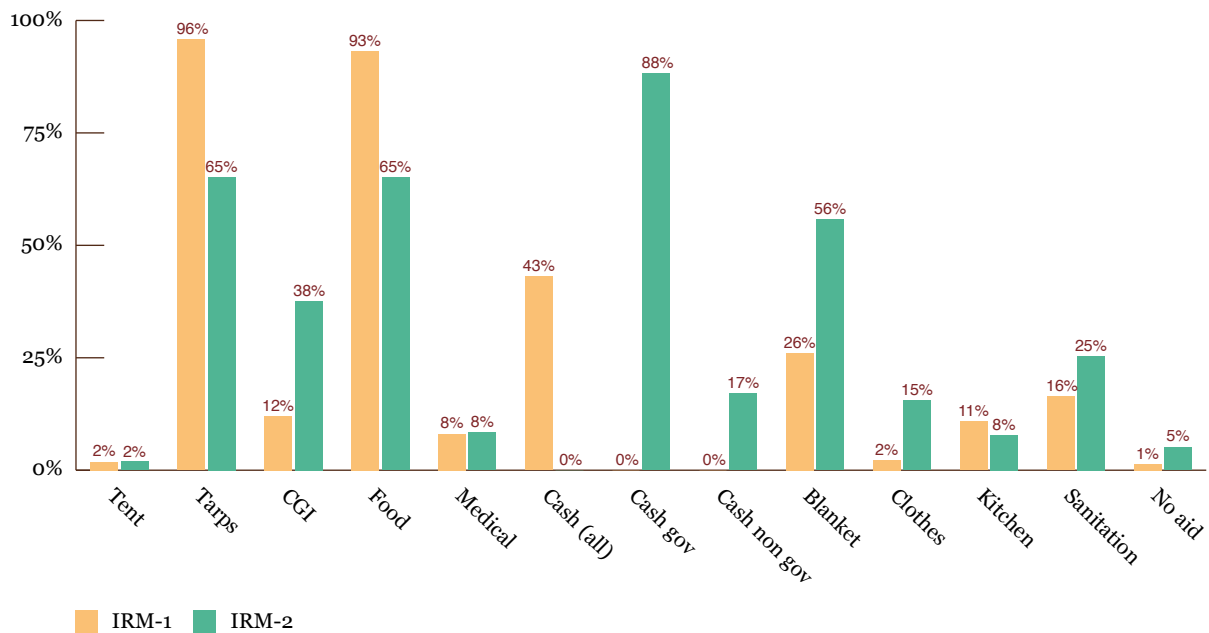
Those in severely hit districts were more likely to have received aid in every category, but the pattern of types of aid received is consistent with that for all impacted districts (Figure 3.2). Cash has been received by almost

everyone in the severely hit districts, and there have also been increases in blankets, CGI, clothes, and sanitation packages.

¹⁷ Seventy-one percent of houses in rural areas were damaged by the earthquake compared to 38% in urban areas. However, the impacts on livelihoods were greater in urban areas. See Chapter 2.

¹⁸ IRM-1 did not disaggregate cash between that from the government and that from other sources.

Figure 3.2: Share of people receiving different types of aid – severely hit districts (IRM-1/IRM-2 comparison)



Cash has been much more widely distributed since the 2015 monsoon than before and is being provided in increasing volumes.

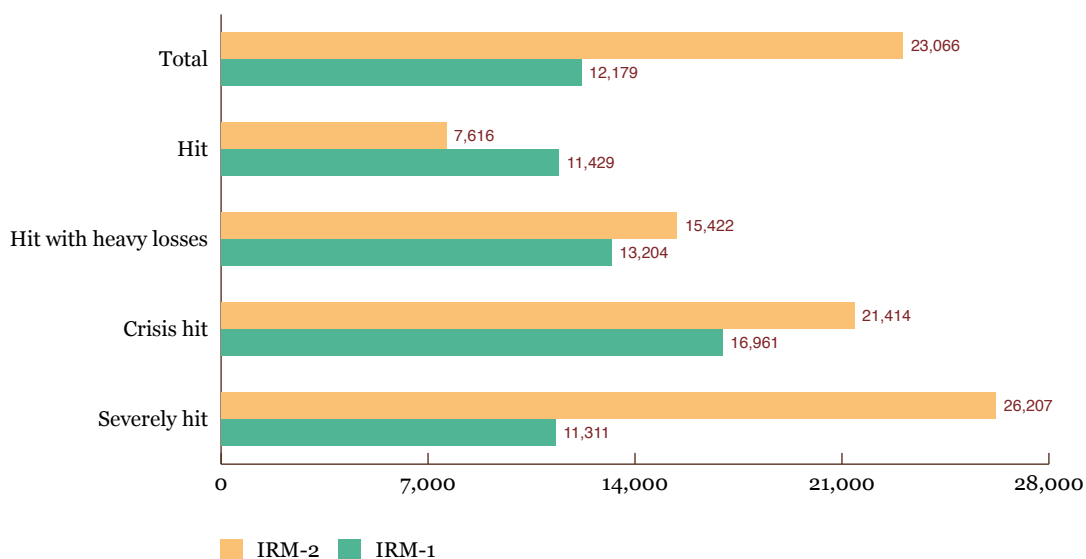
The share of people who have received cash from any source (government or non-government) has risen from 28% in the immediate aftermath of the earthquake to 64% (for cash from government) and 11% (from non-government sources) in IRM-2.

Amounts of cash per person have also increased. The average total cash aid received per household that received cash aid was NPR 23,066 in IRM-2, almost double the IRM-1 average of NPR 12,179 (Figure 3.3). The greatest increase has been in the severely hit districts, with Syangja (the hit district) seeing a fall in the average amount of money provided to each recipient.



Photo: Subhash Lamichhane

Figure 3.3: Quantities of cash (NPR) among those who received cash, from all sources – by district impact (IRM-1/IRM-2 comparison)



Within the severely hit districts, the reach of cash aid has risen from 44% in IRM-1 to 94% in IRM-2 (inclusive of government and non-government sources). However, there is variance between districts, with fewer people receiving cash, especially from

the government, in Gorkha (Table 3.2). In crisis hit districts, 46% have received cash aid from any source; the figures are 54% for hit with heavy losses districts and 28% for the hit district.

Table 3.2: Amount of cash received (NPR) and share who have received cash – by district impact, district, and source (IRM-2)

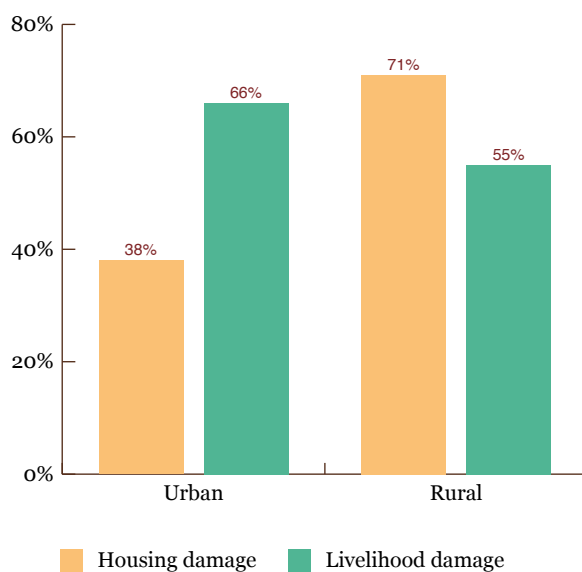
	Amount received (NPR)			Proportion receiving cash		
	Cash aid - government	Cash aid - non-government	Cash aid - total	Cash aid - government	Cash aid - non-government	Cash aid from any source
Severely hit	25,001	11,717	26,207	90%	17%	94%
Dhading	24,552	12,565	26,155	93%	14%	93%
Gorkha	19,669	12,821	20,126	70%	31%	88%
Nuwakot	29,933	7,944	30,745	96%	9%	96%
Ramechhap	24,906	10,000	24,906	95%	0%	95%
Sindhupalchowk	24,510	11,227	28,540	97%	32%	97%
Crisis hit	19,956	13,750	21,414	45%	6%	46%
Bhaktapur	24,229	15,365	26,848	50%	14%	51%
Kathmandu	26,778	11,318	27,327	21%	3%	21%
Okhaldhunga	14,220	8,111	14,882	65%	2%	65%
Hit with heavy losses	14,732	15,450	15,422	52%	5%	54%
Lamjung	23,000	14,423	23,670	23%	8%	27%
Solukhumbu	12,420	22,125	12,712	82%	1%	82%
Hit	8,202	8,389	7,616	24%	5%	28%
Syangja	8,202	8,389	7,616	24%	5%	28%
All districts	22,005	12,172	23,066	65%	11%	68%

The relatively high level of non-governmental cash in hit with heavy losses districts is driven by the amounts received in Solukhumbu, the district with the largest share of low income households. The most frequently cited sources of such aid in Solukhumbu are NGOs, INGOs, and the Red Cross.

Government cash has primarily gone to people who have received official beneficiary cards following government damage assessments.

Ninety-two percent of those with a beneficiary card received cash from the government compared to 6% who do not have a card. Similarly, 15% of those with a card received cash from non-government organizations compared to 1% who do not have a card (Figure 3.4).¹⁹

Figure 3.4: Share of people who have received cash – by whether or not received beneficiary cards (IRM-2)



On average, recipients of cash from the government receive more than recipients from non-government providers.

Those who received cash from the government got, on average, NPR 22,005, while the average sum for non-governmental cash is NPR 12,172. In less affected districts, the average sum provided per cash

recipient is slightly higher from non-government sources than from the government. Indeed, cash from non-government sources is highest in the third impact category (NPR 15,450), followed by the second (NPR 13,750). In contrast, the average amount of cash aid from non-government sources in severely hit districts (NPR 11,717) is lower than the average amount provided to crisis hit and hit with heavy losses districts. At lower levels of impact, where the reach of all items, including government cash aid, is lower, non-government players are playing a bigger role in relief efforts, albeit with a smaller reach. Non-government providers are targeting people who have not received cash from the government.

Despite increases in the number of people getting cash, and the rise in volumes of cash per person, it is clear that cash provided thus far is not enough.

The sums provided are insufficient for addressing key needs such as building more robust housing. For this reason, large numbers of people, especially in severely hit districts but also elsewhere, prioritize cash as one of their priority immediate and medium-term needs (Chapter 2).

To date, government programs have provided two cash grants. The first was an allocation of NPR 15,000 to affected households to support the construction of temporary shelters. A second program provided NPR 10,000 for winter relief aimed at helping people buy materials, including clothes and fuel, to help them withstand the winter months. Both of these cash grants were only to be provided to households categorized as ‘fully damaged’ in the beneficiary lists generated by locally-led damage assessments.²⁰ The cash was distributed through village-level Relief Distribution Committees (RDCs).

Citizens and local officials interviewed during the qualitative research complained that cash provided as winter relief was too little and arrived too late. In Gorkha district, for example, the total amount needed to distribute cash assistance to all confirmed beneficiaries, an amount of NPR 70 million, was sent to the district in multiple tranches, which led to delayed distribution for some areas (prioritization was done on the basis of the level of damage). In Lisankhu VDC in Sindhupalchowk district, 97 out of 1,131 households had yet to receive winter relief cash at the time of research in February 2016 due to delays in the disbursement of funds by the district.

¹⁹ See Chapter 3.4 for a discussion of the damage assessments and beneficiary cards.

²⁰ The survey found that this was largely the case. Ninety-two

percent who were given a beneficiary card because their house was fully damaged received cash from the government. Six percent of those without a card received government cash.

Fewer households received food aid in almost all districts after the monsoon.

The largest reductions in food aid coverage were in Dhading (from 93% in IRM-1 to 38% in IRM-2), Gorkha (from 89% to 50%), Bhaktapur (from 34% to 11%), and Okhaldhunga (from 34% to just 2%) – Table 3.3. Despite the overall decrease in the coverage of food aid, those households that did receive assistance were provided a greater volume of food. Those reporting food aid in IRM-2 received an average of 32 days of food compared to an average of 24 days of food reported during the IRM-1 survey.

Table 3.3: Share of people who have received food aid – by district (IRM-1/IRM-2 comparison)

	IRM-1	IRM-2
Severely hit		
Dhading	93%	38%
Gorkha	89%	50%
Nuwakot	96%	87%
Ramechhap	89%	67%
Sindhupalchowk	100%	83%
Crisis hit		
Bhaktapur	34%	11%
Kathmandu	9%	9%
Okhaldhunga	34%	2%
Hit with heavy losses		
Lamjung	6%	15%
Solukhumbu	10%	33%
Hit		
Syangja	3%	4%
All districts	37%	37%

The food security situation appears particularly serious in Okhaldhunga.

Only 2% have received food aid in Okhaldhunga since June 2015, far lower than any district. Volumes of food aid in Okhaldhunga are also the lowest of any districts in both IRM-2 (four days of stock, against the average of 32 days) and IRM-1 (five days compared to 24 days). This is especially concerning as Okhaldhunga has a high share of low income households (54% have a monthly income below NPR 10,000). Evidence from the five low income districts of Ramechhap, Dhading, Nuwakot, Solukhumbu, and Okhaldhunga suggests that where food aid does not arrive, people are more likely to borrow for food.

There has been limited assistance for livelihoods and distribution of reconstruction materials.

IRM-2 found that 9% of households (14% in severely hit districts) reported receiving farm implements, and no-one had received support for livestock rearing. This suggests a lack of attention to livelihoods support as 77% of respondents farm their own land for their primary livelihood and a further 18% rear livestock as a primary source of income. There has also been very limited distribution of reconstruction materials since the beginning of the 2015 monsoon, with 6% receiving materials (8% in severely hit districts).²¹

Shelter-related aid has focused on providing materials to help strengthen temporary shelters.

At the time of the IRM-2 field visits, the distribution of cash grants from the government for reconstruction of housing had not begun. A small minority of households were rebuilding their houses with their own money and a very small number of houses being rebuilt with some support from local NGOs. Shelter-related aid has remained focused on tarps and CGI.

The proportion of people receiving tarps has declined since the beginning of the 2015 monsoon season (from 71% in IRM-1 to 47% in IRM-2; from 96% to 65% in the severely hit districts) – Table 3.4. However, the large amount of people still receiving tarps is surprising given that initial distribution was so widespread and the fact that tarps offer little protection during the winter.

CGI distribution in severely hit districts has risen since IRM-1 but is still low: 38% against 12% in IRM-1. Indeed, in IRM-2, households are still more likely to have received tarps than CGI. Besides Sindhupalchowk, where 82% have received CGI since the beginning of the 2015 monsoon, the proportion of people receiving CGI is much lower than the share of people whose houses were damaged.

With the exception of Sindhupalchowk, very few people have received reconstruction materials. Only 4% of households overall have received them, including 8% in severely hit districts.

²¹ Data on the distribution of reconstruction material was not collected in IRM-1, so it not possible to formally make comparisons between the two time periods. However, qualitative fieldwork

from IRM-1 showed that there was next to no distribution of reconstruction materials (beyond CGI) in the first months after the earthquake.

Table 3.4: Share of people who have received shelter items – by district impact and district (IRM-1/IRM-2 comparison)

	Housing damage	IRM-1			IRM-2			
		Tent	Tarps	CGI	Tent	Tarps	CGI	Reconstruction materials
Severely hit	94%	2%	96%	12%	2%	65%	38%	8%
Dhading	97%	1%	93%	13%	1%	37%	33%	4%
Gorkha	89%	1%	96%	13%	0%	53%	27%	4%
Nuwakot	97%	6%	91%	10%	5%	72%	39%	1%
Ramechhap	90%	1%	100%	6%	1%	82%	9%	1%
Sindhupalchowk	97%	0%	99%	20%	3%	82%	82%	29%
Crisis hit	49%	2%	48%	3%	1%	13%	3%	0%
Bhaktapur	60%	3%	40%	5%	1%	17%	3%	1%
Kathmandu	26%	1%	11%	3%	3%	8%	3%	0%
Okhaldhunga	60%	2%	95%	0%	0%	16%	1%	0%
Hit with heavy losses	44%	0%	66%	3%	1%	66%	14%	2%
Lamjung	35%	1%	35%	2%	1%	41%	16%	2%
Solukhumbu	52%	0%	93%	3%	1%	92%	12%	3%
Hit	21%	1%	11%	1%	0%	14%	2%	0%
Syangja	21%	1%	11%	1%	0%	14%	2%	0%
All districts	66%	2%	71%	7%	1%	47%	21%	4%

This lack of distribution of more sturdy building materials means that demand is high. Forty-seven percent of households in severely hit districts said materials for housing reconstruction were among their top two needs, with people in Nuwakot and Ramechhap most likely to prioritize such materials. Among the non-severely hit districts, people in Okhaldhunga,

which fares worst in terms of shelter provided, are the most likely to prioritize reconstruction materials (40%). Demand for CGI is also high across the severely hit districts (18% in severely hit districts list it as a top two priority) and some others (Okhaldhunga and Solukhumbu).

Table 3.5: Share of shelter items in top two current needs – by district impact and district (IRM-2)

	Tent	CGI	Reconstruction materials	'A house'
Severely hit	4%	18%	47%	11%
Dhading	1%	20%	39%	6%
Gorkha	2%	15%	35%	11%
Nuwakot	1%	21%	69%	0%
Ramechhap	14%	18%	59%	1%
Sindhupalchowk	1%	19%	34%	39%
Crisis hit	2%	11%	24%	1%
Bhaktapur	2%	11%	16%	3%
Kathmandu	0%	3%	17%	0%
Okhaldhunga	3%	20%	40%	0%
Hit with heavy losses	3%	22%	22%	0%
Lamjung	1%	11%	23%	0%
Solukhumbu	6%	33%	21%	0%
Hit	3%	9%	23%	0%
Syangja	3%	9%	23%	0%
All districts	3%	16%	34%	5%

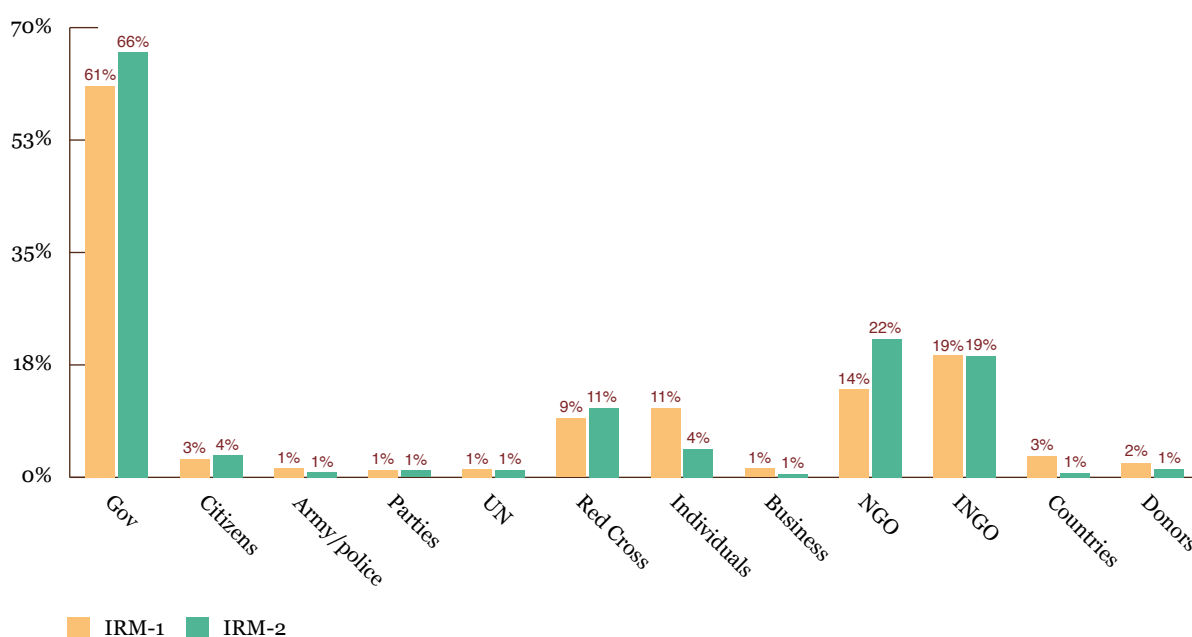
3.2 Providers of aid

The government, INGOs, and NGOs continue to provide aid to the most people.

Respondents in both IRM-1 and IRM-2 were asked to provide information on the sources from whom they received aid.²² The proportion of surveyed household reporting aid from the government is 66%, while

22% report aid from NGOs and 19% from INGOs (Figure 3.5). Other aid providers, with the exception of the Red Cross, are much less prominent. The same groups are the main sources of aid in the severely hit districts, although they cover larger shares of the population than in other districts.

Figure 3.5: Source of aid – all districts (IRM-1/IRM-2 comparison)



Government aid activity decreased after the monsoon and was overwhelmingly focused on the cash assistance schemes for the construction of temporary shelters and winter relief.

Contributing factors to these trends included the formal end of the emergency relief period (as declared by the government in June 2015), and the national political focus on the new constitution along with efforts to address the unrest in the Terai. Despite this, the household survey found that 90% of people in the most affected districts had received government support in IRM-2 (Figure 3.6).

NGO and INGO aid has also reached a larger number of people in severely hit districts than in others but there has been a sharp rise in aid coverage in hit with heavy losses districts.

Aid coverage in severely hit districts by NGOs has risen from 21% in IRM-1 to 33% in IRM-2. There has also been a large increase in the proportion of people who are receiving such assistance in the hit with heavy losses districts (Figure 3.7).

Nineteen percent of households in both IRM-1 and IRM-2 reported receiving aid from INGOs (Figure 3.8), with coverage rising in hit with heavy losses districts. This increase is driven primarily by aid provided to Solukhumbu, where 35% have received aid from INGOs in IRM-2 compared to 4% in similarly affected Lamjung district. There was a slight reduction in aid from INGOs in severely hit districts and almost no change in crisis hit areas.

²² It should be noted that responses are based on the perceptions or understanding of respondents, so results cannot be taken to necessarily reflect the actual shares of aid being provided by different providers.

Figure 3.6: Share of people receiving government aid – by district impact (IRM-1/IRM-2 comparison)

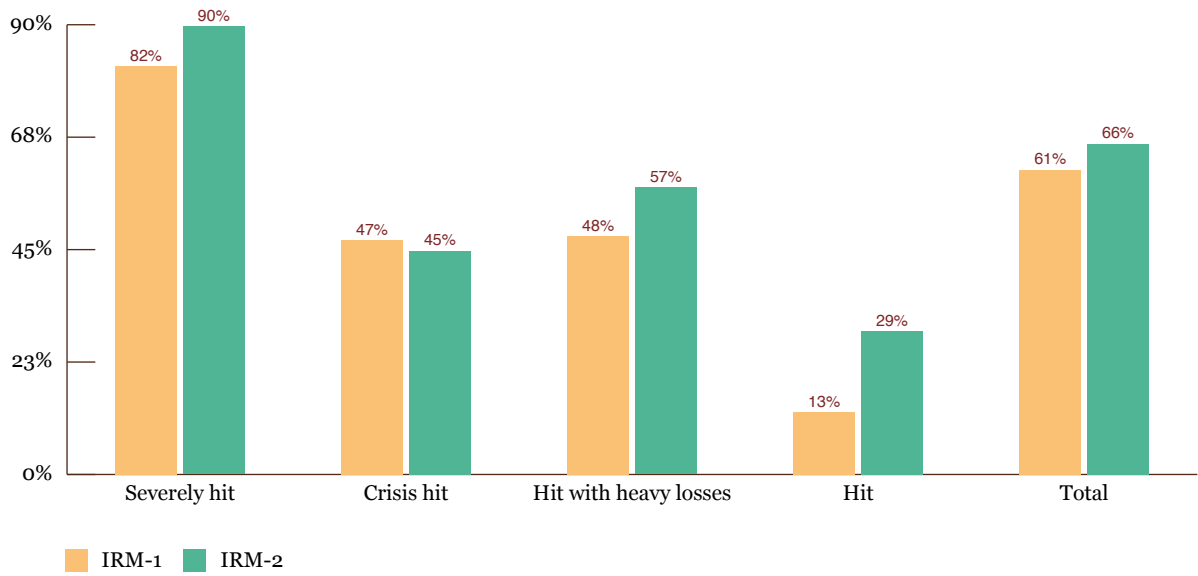


Figure 3.7: Share of people receiving NGO aid – by district impact (IRM-1/IRM-2 comparison)

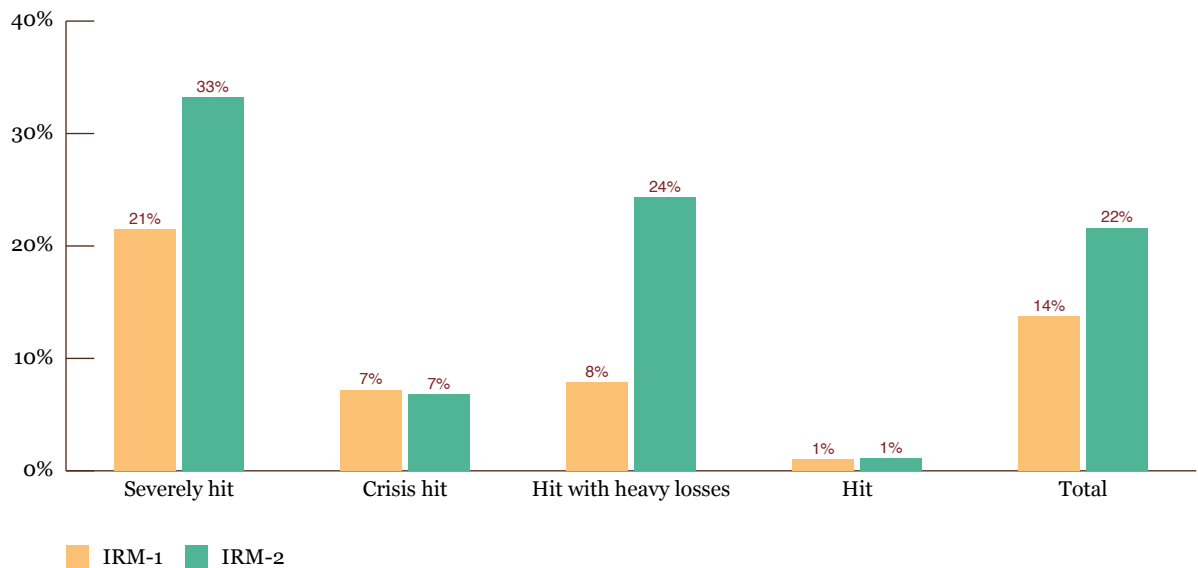
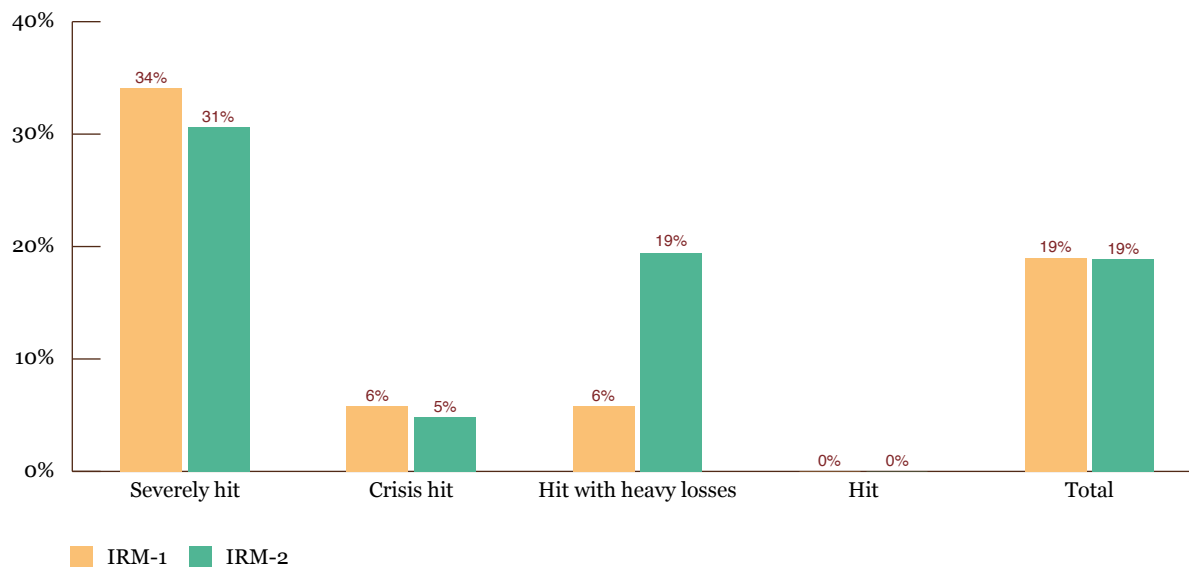


Figure 3.8: Share of people receiving INGO aid – by district impact (IRM-1/IRM-2 comparison)

NGOs and foreign government development agencies have provided a more diverse range of aid than government, with a focus on non-food relief schemes.

Field research identified recovery-related activities of a number of types: cash grants, sometimes as top-ups to government cash assistance, through direct distribution as well as cash for work schemes (such as rubble removal, road clearing, and debris management schemes); construction materials for private and community temporary shelters; a limited amount of food relief provided directly or through food for work programs; and masonry and carpentry training for village residents in anticipation of reconstruction

activities. Some foreign development agencies also focused reconstruction support on government and community buildings (especially in health and education) and physical infrastructure (roads and bridges). In the three severely hit districts studied, organizations including UNICEF, Care Nepal, and Plan International, provided cash, warm clothes, and other winter relief materials to complement the government's winter relief cash distribution and other cash assistance schemes. Winterization relief was seen as a success by many international actors as there were no large outbreaks of disease and monitoring mechanisms involving the government and the UN reportedly worked well.

3.3 Coordination, accountability, and transparency

IRM-1 found that while aid distribution was initially chaotic, coordination improved after the formalization of government mechanisms.

Relief committees were established at the district and VDC levels: District Disaster Relief Committees (DDRCs) and VDC relief distribution committees (RDCs). One function was to coordinate all aid coming in, both from the government and from non-governmental providers. This 'one door' policy was seen to have been effective and the DDRCs and RDCs were perceived to have performed well.²³

The coordinating committees that were active in the emergency relief phase have become less active in the months after the monsoon.

DDRCs have largely become inactive but other local actors have bridged the gaps and maintained coordination efforts. Most district level stakeholders

²³ The Asia Foundation (2005). *Independent Impacts and Recovery Monitoring Phase 1: June 2015. Synthesis Report*. Kathmandu and Bangkok: The Asia Foundation, pp. 24-26.

interviewed reported that their district's DDRC now meets "only when necessary," which seems to mean when new relief schemes arrive. Different districts have seen different combinations of actors filling the gap caused by a less active DDRC.

At the VDC level, the main coordination challenge is weak communication with the district and the central government. Communication between district headquarters and the VDCs, which research found to have mostly taken place through the VDC secretaries, is happening in an informal and unstructured way. Communication approaches differ between VDCs, and generally the situation does not lend itself to uniform coordination. While VDC level actors have remained central to managing and coordinating aid delivery, as well as dealing with pressure from citizens, the local coordinating body, the RDCs, were also found to be less active than they had been during the initial relief period.

Lack of coordination between different levels of government has meant that both local officials and earthquake affected people do not have the information needed to help them recover.

In the absence of clear directives and information on government policies, VDC level officials and citizens report that they have to rely on informal conversations, direct phone calls, and media reports for information on reconstruction policies. The lack of information that most local government officials have has made them quite passive, waiting for instructions from the central government before taking action. People do not understand whether they will be entitled to reconstruction assistance or not, when support for this may arrive, and what procedures there are for making complaints. This is hampering their ability to plan for the future – e.g. on whether they should start rebuilding their house, or whether they need to wait, and on whether or not they should take out loans (Case Study 4).

Case Study 4: Indecision due to unclear and delayed government policy

A 57-year-old resident of Katunje-4 had been living in a hut made of tarpaulin and dried tree-leaves (*shyaula*) for nine months. After he received a beneficiary card, and NPR 15,000 from the government, he demolished his damaged house. Unclear on government policy and guidelines for rebuilding houses, he found it difficult to decide whether or not to start building a new house. After discussion with his family, he ultimately decided to construct a new house so that his family would not have to suffer another cold winter and wet monsoon in the leaf hut.

He started building the new house. He reported that he "carried stones from a place that was a four hour walk away and paid more than NPR 10,000 for the stones. I also paid for laborers to dig a six-foot deep trench for a strong foundation to start building a two-room structure." Once he had started building the house, other villagers told him about a rumor that starting to build without the permission of government officers would bar him from getting any compensation and financial assistance from the government in the future. Some village leaders asked him to stop the construction, and he complied.

To try to clarify the matter, he undertook the two hour walk and four hour bus ride to the district

headquarter to gather information. Once there, someone showed him a few models of quake-resistant houses that should guide rebuilding. He quickly realized that he could not afford to build according to the model house standard. He is currently planning to construct a small building which will be stronger than his old house saying that he "want[s] to build a house that does not leak in the monsoon and can be easily abandoned if need be." Despite this plan, he has delayed the start of construction until he receives more information.

In another case, a woman in Okhaldhunga district who had been living in a bamboo shed had bought gravel and sand to start the construction of a new house. But other villagers advised her that building a house which does not comply with the model set by the government may bar her from getting government financial assistance for rebuilding. She told researchers that this possibility has left her confused and that she has not been able to decide to start the construction of a new house. She says that if "the government informs us about its assistance and the criteria, I would start to buy rebuilding materials. But I will not unless the government will give us clear guidance."

Coordination of I/NGOs, foreign agencies, and UN agencies with local governments has been less effective in recent months than it was during emergency relief distribution.

Increasingly, non-governmental aid has bypassed official coordination mechanisms and is working directly with citizens or ward level actors. IRM-2 qualitative interviews found that village level RDCs were the most common channel for the distribution of government relief. On the other hand, most non-governmental and individual aid providers worked by reaching out directly to citizens. Non-governmental aid providers were also more likely than before to work with Ward Citizen Forums (WCFs) and ward leaders directly to help coordinate and target the distribution of relief.

Initially strong coordination efforts suffered for a number of reasons including: the reduced DDRC activity; local government liaison officers returning to their former posts; local government staff turnover; and humanitarian staff turnover. In addition, the withdrawal of UN OCHA field offices (OCHA left Nepal in December 2015), and the closing or transition of most humanitarian clusters in late 2015, has affected coordination.

The lack of coordination forums has hindered the efforts of District Lead Support Agencies (DLSAs, typically I/NGOs who are assigned to support disaster preparedness and response) to support coordination between aid providers and local government. OCHA field offices, based in the three humanitarian hubs (Gorkha, Sindhupalchowk, and Kathmandu), had been able to take a cross-district perspective in managing these efforts, something which DLSAs cannot do.

Non-governmental organizations and foreign government development agencies generally just informed DDRCs and bypassed VDC level committees when distributing aid. The levels of coordination between non-governmental organizations and village level RDCs were inconsistent across the VDCs visited.²⁴ Non-governmental aid frequently bypasses the RDCs, despite their formal role as the focal point for the planning and coordination of aid distribution. In most cases, there was little or no coordination regarding actual distribution and the process for targeting aid to certain beneficiaries. During IRM-2, local officials often had trouble reporting what aid had been received in their area.

The majority of NGOs reported a preference for working through their own staff for targeting and distribution with direct communication with earthquake-affected persons (sometimes through WCFs). NGO aid is now more likely to be targeted to specific population groups. This is a result in part of overall declines in aid since the initial relief phase. Because of sensitivities in targeting aid within communities where earthquake impacts are widespread, it is problematic that VDC stakeholders have been less involved in deciding who should receive aid.

There has been extremely limited citizen participation in targeting or overseeing government aid distribution mechanisms, particularly from marginalized groups.

By design, local communities were represented at RDC meetings by WCF coordinators. However, their role was limited. These individuals played an important role in implementing aid distribution, but they had no influence over planning and decision-making, which were led exclusively by VDC officials and political parties. VDC officials often emphasized that they had ensured citizen participation in relief efforts through the inclusion of existing WCFs, and adhering to the statutory policy of those bodies to include women and marginalized groups in decision-making. However, the majority of individuals interviewed during the field research who belonged to these particular groups perceived these efforts as superficial saying that inclusion was “cosmetic” or “token”, only done to “fill the quota”.

Both governmental and non-governmental aid distribution lacked formal accountability mechanisms.

Accepted good practice to ensure transparency and increase accountability during local development planning and implementation includes needs assessments and planning sessions conducted at the ward level, formation of a monitoring committee separate from the project implementing committee, and a public or social audit (which is a public display/announcement of project income/expenses). However, researchers only came across one public audit of relief and recovery projects, which was attended mainly by the heads of the government agencies, with very limited citizen participation. The discussion was mainly focused on the accomplishments of district-level government agencies and their plans for the future, rather than on earthquake-related aid distribution and reconstruction planning.

²⁴ It is important also to consider that NGOs have reasons to be wary of local government involvement, which may translate into directing aid based on unreliable data and political interference.

No clear evidence of widespread abuse of funds or goods was found. But the ineffectiveness of accountability mechanisms suggests that corruption related to aid distribution is likely to have been underreported.

Only a few clear instances of corruption were reported across the six research districts during qualitative field research. The government's aid distribution methods, which have overwhelmingly focused on the direct distribution of large amounts of cash, make it particularly vulnerable to some forms of corruption. This cash moved from the center to the district and

then VDC levels, and was handled by a few influential individuals at each stage of the process. In severely hit districts, such as Gorkha and Sindhupalchowk, the cash amounts given by the central government to the districts were in excess of NPR 750 million. Since these large cash volumes were distributed on the basis of widely contested damage assessments, there is a possibility that the assessment might have led to corrupt practices in some places. The government reported problems counting households, as figures for the total number of households in each district substantially increased compared to the 2011 census, again raising the possibility of corruption.

3.4 Damage assessments and beneficiary cards

The government has conducted a number of assessments of damages to houses, using these as a basis for deciding who will receive a beneficiary card.²⁵ These cards determine who should receive cash assistance, including the two payments made over the winter and a larger future grant of NPR 200,000 to support housing reconstruction. Only those whose house was classified as fully damaged were to receive cards.²⁶

The assessments have been a cause for regular complaints from earthquake-affected households.

During the qualitative research residents cited multiple reasons for frustration with the damage assessment process including: inconsistent assessment procedures; a lack of clear policies and guidance; assessment teams without technical knowledge; differences between the multiple assessments that took place; and perceived manipulation and interference by political parties.

Many complaints were due to lack of transparency and consistency on how houses were classified in the damage assessment and how this links to the issuing of beneficiary cards.

Table 3.6 compares the results of the damage assessment with households' self-reporting of the extent to which their house was damaged. In general, there is a close correlation between being classified as fully damaged in the assessment and households reporting that their house was completely damaged. In some districts, such as Gorkha and Ramechhap, more people had their houses classified as fully damaged than report their house as being fully damaged. In contrast, 53% of people in Dhading say their house was classified in the assessment as fully damaged while 77% say that their house was completely damaged.

²⁵ VDCs completed their first damage assessment within a week of the 25 April earthquake, usually using local actors (VDC officials, local political party leaders, schoolteachers, and WCF members) to complete the data collection. These initial assessments were informal and ad hoc in nature, but were significant in helping to manage initial emergency relief. After the DDRCs formed in the weeks following the first earthquake, they conducted a second damage assessment, which was generally carried out within a month. Whereas the initial assessment aimed only to support emergency relief distribution, the second assessment was an attempt to gather more comprehensive data. This second assessment was supposed to be carried out by a team that included an engineer. While it was implemented by the DDRC, instructions were provided by the central government on how it should be conducted. The second damage assessment was used to generate an earthquake relief

beneficiary list for each VDC. This DDRC-led assessment focused on damage to houses, categorizing each house into three levels: 'fully damaged', 'partially damaged,' and 'normal'. Households found to have houses that were fully damaged were given victim ID cards and prioritized for government relief. As mentioned in the first round report, because of the direct link of the assessment to aid provision, and the seemingly disorganized way it was conducted in many locations, this second assessment became a significant source of contention throughout all districts. The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation.

²⁶ See Chapter 3.4 of the qualitative report for extensive analysis of the damage assessments.

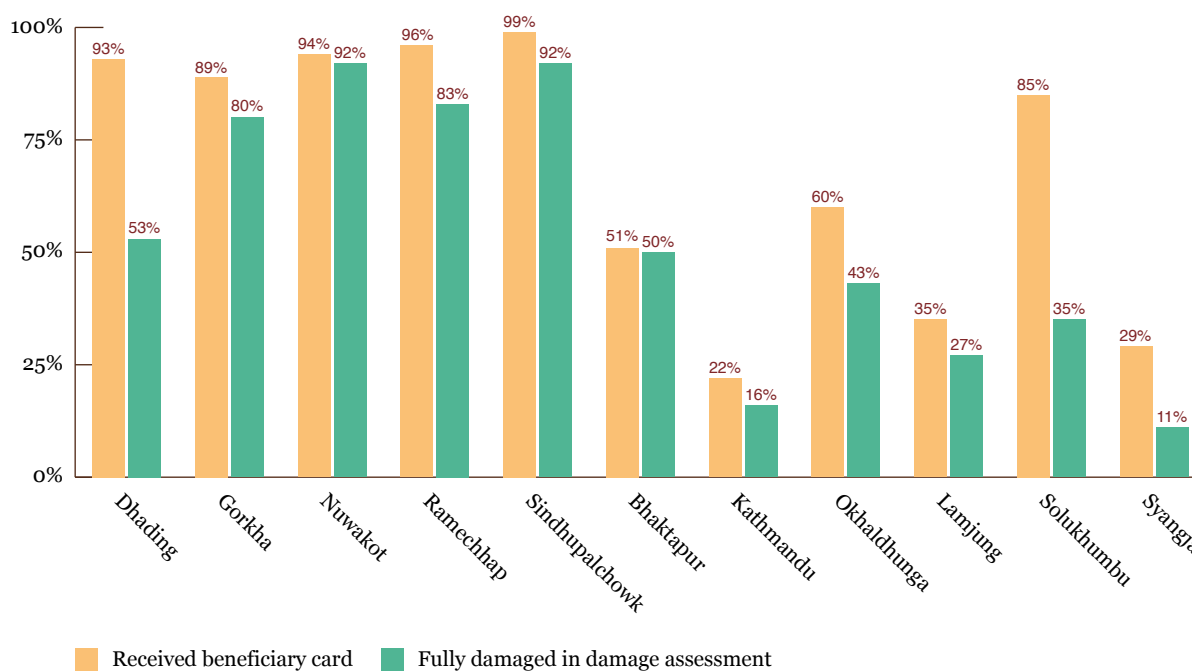
Table 3.6: Damage assessment results and self-reported damage – by district impact and district (IRM-2)

	Damage assessment results					Self-reported damage		
	Fully damaged	Partially damaged	Normal/not damaged	Official did not arrive	Refused/don't know	Completely damaged	Badly damaged (needs major repairs)	Habitable (but needs minor repairs)
Severely hit	80%	6%	2%	6%	6%	78%	16%	5%
Dhading	53%	5%	3%	28%	11%	77%	20%	3%
Gorkha	80%	13%	6%	0%	2%	57%	32%	8%
Nuwakot	92%	3%	1%	2%	3%	92%	5%	3%
Ramechhap	83%	6%	1%	1%	10%	69%	20%	10%
Sindhupalchowk	92%	3%	1%	1%	4%	94%	3%	2%
Crisis hit	36%	21%	36%	2%	5%	31%	18%	30%
Bhaktapur	50%	11%	31%	1%	7%	46%	14%	15%
Kathmandu	16%	16%	59%	3%	6%	16%	10%	38%
Okhaldhunga	43%	37%	19%	0%	2%	32%	29%	37%
Hit with heavy losses	31%	39%	22%	0%	8%	27%	17%	42%
Lamjung	27%	19%	38%	0%	16%	24%	11%	39%
Solukhumbu	35%	58%	6%	0%	1%	29%	23%	45%
Hit	11%	22%	66%	0%	1%	8%	13%	62%
Syangja	11%	22%	66%	0%	1%	8%	13%	62%
All districts	53%	17%	21%	3%	6%	50%	16%	24%

There is also variation between districts in how damage assessment classifications resulted in cards being issued. In Dhading, for example, where 53% of people said their house was classified as fully

damaged, 93% received beneficiary cards, higher even than people’s self-evaluation of the impact of the earthquake on their house (Figure 3.9).

Figure 3.9: Share of people who have received beneficiary card and whose house was classified as fully damaged – by district (IRM-2)



Rumors over the implications of the classification also affected household decisions on applying for beneficiary cards.

In the absence of clear information and guidelines, misinformation was common and rumors affected the decisions that households made in many cases. In Syangja district, for example, the CDO reportedly told people that they should return their beneficiary cards if they did not want their houses to be demolished. As a result, in Syangja's Shreekrishna Gandaki VDC, six households returned their victim ID cards and received no cash assistance. For the same reason in Waling Municipality, Syangja district, only 18 households out of 250 who had originally received

cards actually accepted and received the initial cash grant of NPR 15,000.

In Ramechhap district, some victims applied to change the categorization of their damaged houses from fully damaged to partially damaged following a rumor that fully damaged houses would be demolished by the Nepal Army. Another rumor in Sindhupalchowk district spread false information that the family members of those with beneficiary cards would get opportunities for foreign university scholarships. It was reported that as a result some people permanently living in Kathmandu returned to their home villages and applied for cards, thus inflating the official number of affected persons in that area.

Case Study 5: Rumors

A female owner of a small hotel in Nele VDC-7 in Solukhumbu lived in a tent for two months after seeing major cracks in the walls and ceilings of her house following the earthquake. When the second earthquake hit on 12 May, her house was further damaged. A local assessment team, comprised of a police officer, a teacher, and a WCF coordinator, categorized her property as fully damaged and she received a victim beneficiary card. Before the distribution of cash grants started, a rumor spread in Nele that houses categorized as fully damaged would be demolished by the Nepal Army before reconstruction would start. The women claimed that she heard this rumor confirmed by an inspector posted to the ward.

Fearing that her house would be demolished, and that the reconstruction grant would not be sufficient to pay for its reconstruction, she lobbied VDC officials to have the classification of her house changed from fully damaged to partially damaged. No one questioned her decision and her status was changed. By the time she found out that it had been just a rumor, the inspector who had given her the information had been transferred to another location, and the VDC Secretary stated that no change could be made since she had already accepted a cash grant of NPR 3,000 provided for those with partially damaged houses in June.

Those who received beneficiary cards tended to be satisfied with the classification of their house in the damage assessment.

Sixty-one percent of those who received cards are very satisfied with the damage assessment and 27%

are somewhat satisfied – Table 3.7. In contrast, there are mixed levels of satisfaction amongst those who did not receive cards. Two-thirds of this group are still satisfied, but one-quarter say they are unsatisfied.

Table 3.7: Satisfaction with damage assessment – by whether or not received beneficiary cards (IRM-2)

		Has your household received a beneficiary identity card?				Total
		Yes	No	Refused	Don't know	
How satisfied were you with the classification of your house in the official damage assessment?	Very satisfied	61%	22%	0%	0%	49%
	Somewhat satisfied	27%	43%	100%	23%	32%
	Somewhat unsatisfied	3%	15%	0%	8%	7%
	Very unsatisfied	1%	10%	0%	19%	4%
	Refused	0%	1%	0%	4%	0%
	Don't know	7%	9%	0%	46%	8%
Total		100%	100%	100%	100%	100%

The frustration of those who did not receive a card, even though their houses were damaged to some extent, can be seen in the IRM-2 household survey results. Of those whose house was classified as fully damaged, almost everyone is satisfied. Satisfaction

levels are the lowest for those whose house was partially damaged, presumably because many felt they should have received assistance but have not been issued with beneficiary cards that help them access aid (Table 3.8).

Table 3.8: Satisfaction with damage assessment – by how house was classified in damage assessment (IRM-2)

		How satisfied were you with the classification of your house in the official damage assessment?						Total
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Refused	Don't know	
How was your house classified in the official damage assessment?	Fully damaged	73%	25%	1%	0%	0%	1%	100%
	Partially damaged	28%	44%	16%	11%	0%	1%	100%
	Normal/not damaged	26%	50%	15%	6%	0%	3%	100%
	Official did not arrive	3%	9%	2%	5%	1%	80%	100%
	Refused	0%	33%	67%	0%	0%	0%	100%
	Don't know	1%	5%	8%	10%	2%	74%	100%
Total		49%	32%	7%	4%	0%	8%	100%

However, levels of satisfaction with the damage assessment are not fully determined by whether or not people received beneficiary cards.

Of people who are very satisfied, 86% received beneficiary cards. Amongst those who are somewhat

satisfied with how their house was classified, 58% received cards while 42% did not. Furthermore, substantial shares of those who received beneficiary cards were not satisfied with how their house was classified. This suggests that some people were not happy with the damage assessment process, even when they received a beneficiary card.



Photo: Alok Pokharel

Complaints increased when people realized the implications of how their house was classified in the second damage assessment. The ways in which DDRCs handled these complaints varied from district to district.

Officials received many claims and complaints regarding the outcome of the second assessment. These increased when it became apparent that the government would only provide relief for building transitional shelters to beneficiary card holders, and that only those with fully damaged homes were eligible for the cards. At this point citizens started to lodge complaints claiming that they had been left out of the assessment, or that their house had been wrongly categorized. In most cases, citizens lodged their complaints at the VDC office, which were generally then forwarded to the DDRC in almost all locations.

In most districts, the DDRC investigated the complaints, and often added some households to the beneficiary list as a result. Several districts received a large number of complaints. In Gorkha, for example, 59,523 households received victim ID cards after the second damage assessment. After thousands of complaints were subsequently lodged, the district formed a team comprised of the District Lawyer and representatives from the District Administration Office to address the complaints. By the time of the field research, this team had increased the number of victim ID cards issued to 66,144, but thousands of complaints in Gorkha remained outstanding.²⁷ In Okhaldhunga district, the

DDRC created a technical team in December 2015 to investigate 6,181 complaints about the results of damage assessments. In Sindhupalchowk district, almost 3,400 official objections were made about households being wrongly included in the beneficiary list (which had been based on the very first damage assessment). The DDRC formed a monitoring committee to address the complaints, but a team from the Central Bureau of Statistics (CBS) arrived in the district to conduct a third damage assessment while the complaints were still being assessed so the effort was discontinued.

Contention around damage assessments and the resulting beneficiary lists still exist. When the NRA was formed, its leadership decided that due to the highly contested nature of the initial damage assessments, and to respond to donor requests, another damage assessment was needed. This NRA-led assessment was conducted using CBS enumerators. This decision has been controversial and the new assessments have already been contested during the NRA's first effort to conclude reconstruction grant agreements with affected households in Dolakha. Many people protested against distribution on the basis of the CBS verified data. Instead they demanded that the distribution be based on the original—second—assessment, which seems to have reported many more 'fully damaged' houses than were identified in the initial phases of the NRA assessments. Frustration with the newest damage assessment is the latest in a series of disputes that have arisen from the process of assessing damage across multiple rounds of assessments.

²⁷ It should be noted that this increase by the redress committee meant that the number of households that were included in the beneficiary list (66,144) ended up being higher than the total number of households in Gorkha district according to the national

census of 2011. CBS, National Population Census 2011, November 2012 (available at: http://cbs.gov.np/image/data/Population/Ward%20Level/36Gorkha_WardLevel.pdf).

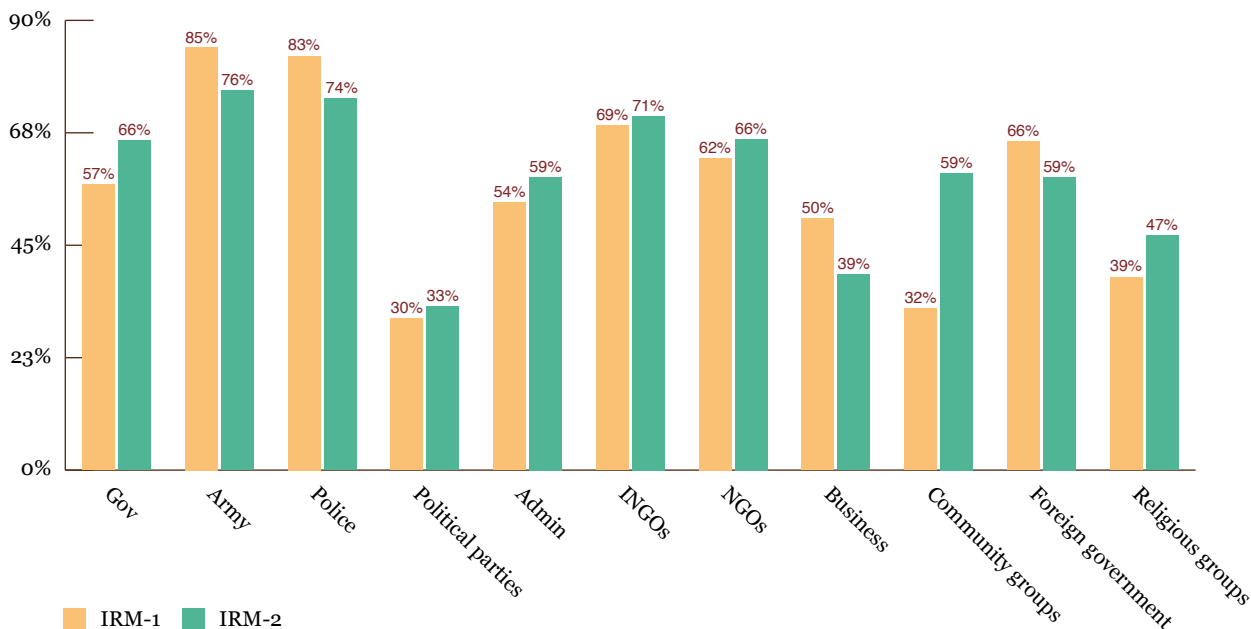
3.5 Satisfaction with aid providers

Despite problems with damage assessments, declining levels of aid, and lack of accountability mechanisms, there has been a rise in satisfaction with most aid providers since IRM-1.

This increase has been greatest for local community organizations (Figure 3.10). The army, police, and businesses have seen the greatest drops in satisfaction,

but they still have the highest satisfaction levels among any aid provider. The army and police have actually delivered very little assistance: only 1% had received aid in both IRM-1 and IRM-2 from them. People may still have positive memories of the rescue role they played in the days following the earthquake. Satisfaction with both INGOs and NGOs has increased and is similar to levels of satisfaction with the government.

Figure 3.10: Satisfaction with aid providers – all districts, among those who received aid only (IRM-1/IRM-2 comparison)



People are most satisfied with aid providers in the hit with heavy losses districts and urban areas.

Solukhumbu has the highest satisfaction of any district for nearly every aid provider, which might be related to its receiving very high aid coverage compared to the level of damage suffered (Table 3.9). Okhaldhunga, on the other hand, has the lowest satisfaction with most aid providers among all districts. Aid has fallen sharply in this district in IRM-2, particularly for essential items (food and shelter). However, even those who receive aid are less satisfied there, perhaps reflecting that either volumes have not been sufficient or that there is disillusionment as other needy people in the district miss out.

Satisfaction with most aid providers is higher in rural areas. On the one hand, this is not surprising, given

that more aid has flowed to rural areas. On the other, needs are also higher in these places. Dissatisfaction with the government amongst those who received aid is notably higher in urban areas than in rural ones and there is also much lower satisfaction with political parties in urban places.

While the overall trend is of increased satisfaction with aid, the qualitative research found frustration among many communities with the aid delivered.

In many locations studied there was contention around cash assistance, often related to the problematic damage assessments on which the RDCs based the grant distribution. Many earthquake-affected citizens noted their extreme dissatisfaction about being excluded from the cash beneficiary lists (complaints came both from cases in which a fully damaged house

Table 3.9: Satisfaction with aid providers, among those who received aid only – by district impact and district (IRM-2)

Districts	Government	Army	Police	Political parties	Local administration	INGOs	NGOs	Businesses	Community groups	Foreign governments	Religious groups
Severely hit	66%	75%	74%	31%	57%	72%	67%	37%	58%	56%	47%
Dhading	70%	83%	82%	20%	49%	60%	64%	31%	52%	31%	34%
Gorkha	53%	78%	84%	26%	67%	88%	74%	55%	72%	75%	45%
Nuwakot	45%	70%	70%	26%	42%	79%	81%	41%	66%	56%	74%
Ramechhap	83%	77%	75%	49%	57%	57%	55%	30%	53%	56%	34%
Sindhupalchowk	69%	65%	56%	33%	68%	81%	64%	31%	48%	65%	56%
Crisis hit	56%	66%	62%	22%	55%	50%	44%	26%	47%	41%	32%
Bhaktapur	49%	66%	63%	20%	35%	46%	35%	26%	57%	37%	43%
Kathmandu	44%	100%	89%	33%	61%	67%	67%	61%	67%	72%	61%
Okhaldhunga	63%	58%	55%	20%	69%	49%	45%	19%	36%	38%	18%
Hit with heavy losses	81%	93%	93%	49%	71%	92%	92%	62%	81%	93%	64%
Lamjung	71%	93%	93%	36%	64%	89%	93%	57%	80%	93%	61%
Solukhumbu	94%	94%	94%	69%	81%	95%	92%	69%	81%	94%	67%
Hit	76%	89%	92%	59%	76%	78%	78%	70%	89%	86%	57%
Syangja	76%	89%	92%	59%	76%	78%	78%	70%	89%	86%	57%
All districts	66%	76%	74%	33%	59%	71%	66%	39%	59%	59%	47%

was wrongly labeled as only partially damaged, or from households that were missed by the assessment altogether).

Another issue that drove dissatisfaction in some places was the local targeting strategy for aid. Equal distribution of aid was the preferred targeting pattern for most aid schemes encountered, a strategy used to avoid potential tensions that could arise from perceived discrimination. This was particularly the case in severely hit districts where levels of damage were largely uniform and relief amounts were sufficient for equal distribution. During the IRM-2 data collection,

researchers were told that government and non-government aid providers still preferred equal distribution, but to a lesser extent compared to initial relief phase due to decreases in amounts of relief available. The data collected in this round of research show that almost half of the government schemes were targeted towards a specific group of beneficiaries (for example, reconstruction and winter cash assistance were provided only to fully damaged households). This change in targeting was welcomed by some, particularly those disadvantaged communities that felt they had greater need than high caste or wealthy community members, but it also caused some frustration.



Photo: Ashray Pande



Photo: Amanda Gurung

3.6 Aid to different population groups

The poorest and the richest are the most likely to have received no aid.

Disaggregating by types of aid received, the richest and poorest are the least likely to have received almost every kind of assistance (Table 3.10). This is true for aid from the three main providers: the government, NGOs, and INGOs.²⁸ That the poor are missing out is worrying, given that the poorest were amongst the most likely to have been negatively impacted

by the earthquake.²⁹ The low figures for the poorest can be attributed in part to housing structures. The qualitative research found that many of the poorest families lived in bamboo houses or shacks which were not damaged by the earthquake. The targeting of aid to those whose houses were damaged in some cases limited the ability of the poorest to access those types of assistance.³⁰ However, satisfaction with most aid providers is higher for those in the lowest income bracket and lower for the richest.³¹

Table 3.10: Types of aid received – by income band (IRM-2)

Monthly income	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash - non-government	Blanket	Clothes	Kitchen items	Sanitation	No Aid
<NPR 2,500	0%	40%	10%	38%	1%	56%	3%	30%	3%	1%	7%	40%
NPR 2,501 - 9,999	1%	55%	24%	44%	5%	74%	11%	37%	8%	5%	15%	22%
NPR 10,000 - 19,999	1%	46%	22%	36%	4%	64%	13%	33%	11%	5%	15%	29%
NPR 20,000 - 39,999	2%	34%	13%	23%	3%	46%	9%	23%	7%	1%	13%	48%
> NPR 40,000	5%	28%	6%	10%	1%	31%	9%	19%	6%	1%	7%	60%
Total	1%	47%	21%	37%	4%	64%	11%	33%	9%	4%	14%	30%

²⁸ Sixty percent of those who had a monthly income of under NPR 2,500 before the earthquake who received aid, received it from the government, compared to an average of 66% across the whole sample. The figures are 14% compared to an average of 22% for NGOs, and 7% compared to an average of 19% for INGOs.

²⁹ IRM-1 survey report, pp. 10-11.

³⁰ Case Study 6.3 in the IRM-2 qualitative report.

³¹ Table 4.19 in the IRM-2 survey report.

Women were slightly less likely to get most types of aid but there is little difference in satisfaction levels.

Thirty-one percent of women report receiving no aid compared to 29% of men. Although the differences are minor, women have a slightly lower likelihood of receiving cash from government (62% versus 65%) and non-government sources (10% versus 11%). A slightly larger proportion of women than men have received food aid (37% against 36%) and clothes (10% against 9%). Women are slightly more likely than men to be satisfied with the three main aid providers.

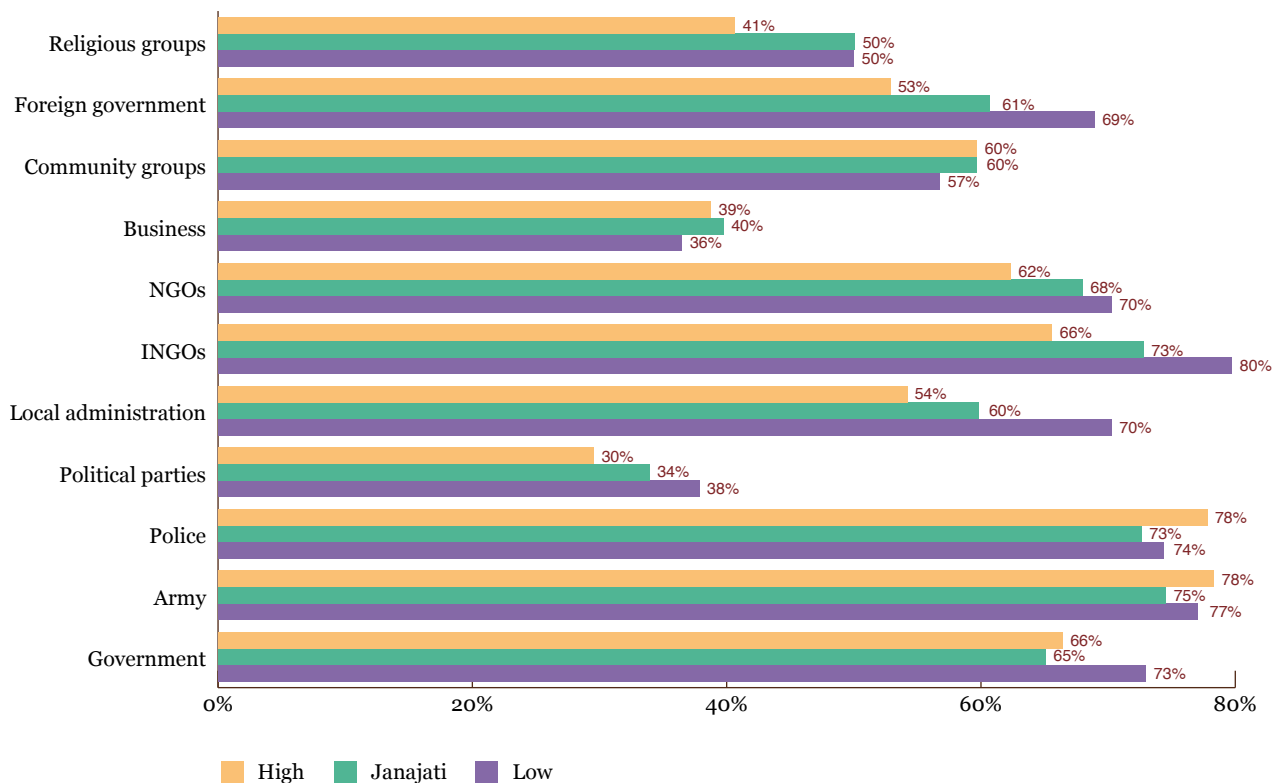
Janajatis were more likely to have received aid than low or high caste people but low caste people were more satisfied with aid providers.

Janajatis are particularly more likely to have received CGI, food, and government cash (Table 3.11). There is little difference between the groups for non-government cash and lower caste people are almost as likely to have received tarps as Janajatis. Despite being less likely to receive aid than Janajatis, low caste people are much more likely to be satisfied with aid providers than others (Figure 3.11).

Table 3.11: Share of people who have received aid of different types – by caste groups (IRM-2)

	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash - non-government	Blanket	Clothes	Kitchen items	Sanitation	No aid
Low	1%	49%	19%	31%	4%	57%	12%	33%	9%	6%	12%	35%
Janajatis	1%	50%	25%	42%	5%	68%	11%	36%	9%	5%	16%	26%
High	1%	42%	14%	28%	2%	59%	10%	27%	9%	3%	11%	36%

Figure 3.11: Satisfaction with aid providers among those who received aid – by caste (IRM-2)



Those with disabilities were slightly more likely to have received aid than those without, although the differences are not large.

This holds true for most of the main types of aid. Across all the main aid providers, a smaller share of those with disabilities report being satisfied relative to those without disabilities.

Those whose houses were destroyed were the most likely to have received aid but there is also some evidence of mistargeting.

People whose houses were destroyed were more likely not only to receive shelter-related aid but also other types of assistance. A small proportion of shelter-

related assistance, especially tarps, reached those who did not experience any housing impact (Table 3.12). The likelihood of receiving cash is the highest amongst those whose houses were completely damaged and declines as housing impact reduces. Overall, less than 5% of those with completely damaged homes report not having received cash aid from any source. It is more concerning that over one-quarter of people with badly damaged homes have not received cash aid from any source. Two-thirds of those with damaged but habitable homes have not received cash. The volumes of cash received for each beneficiary do not correlate closely with housing impact, likely because government cash grants did not vary significantly among those who qualified for a given assistance program.

Table 3.12: Aid received – by level of housing damage (IRM-2)

	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash - non-government	Blankets	Clothes	Kitchen items	Sanitation	No Aid
Completely damaged	2%	63%	36%	58%	7%	91%	18%	54%	13%	6%	21%	6%
Badly damaged	1%	48%	15%	30%	3%	67%	8%	26%	13%	7%	15%	22%
Habitable	0%	30%	2%	12%	0%	32%	2%	7%	2%	0%	4%	57%
Not damaged	0%	4%	1%	2%	0%	2%	0%	2%	1%	0%	1%	94%



Chapter 4.

Coping Strategies

Photo: Chiran Manandhar

Given the significant damage suffered across earthquake-impacted areas, and the limitations in aid volumes and coverage, households have had to adopt various coping strategies to help them recover. A variety of coping strategies were found during the qualitative research, including farmers taking on

more wage labour and communities developing labor rotations to construct temporary shelter. Many of these were unique or temporary measures. Four of the most common coping strategies are borrowing, inward remittances, migration, and asset sales.

4.1 Borrowing

There has been a large increase in borrowing since IRM-1.

Qualitative researchers found that residents in half of the 36 wards visited reported increased borrowing in their communities. The household survey found that the number of people borrowing has more than doubled since the immediate post-earthquake period (Figure 4.1). Whereas in June 2015, 19% had borrowed since the earthquake, 42% report taking loans since the beginning of the 2015 monsoon (June 2015). In severely hit districts, more than half have borrowed money since the beginning of the 2015 monsoon compared to one-quarter in the first few months after the disaster. Borrowing has also more than doubled in the crisis hit and hit with heavy impact districts. In the hit district of Syangja (the least affected of the sampled districts), borrowing has risen ten-fold: from 4% to 43%.

Borrowing is most common for livelihoods, food, and shelter.

Of the 42% of respondents reporting borrowing in IRM-2, the largest share (60%) borrowed to support their livelihoods, which typically refers to the repair and replacement of damaged assets (Figure 3.2). This is true for all four categories of district impact. Seventeen percent borrowed for farming or business inputs, investments also related to livelihoods. Borrowing to purchase food was the second most common reason (35% of borrowers took loans for food), across all levels of impact, including in the least affected district of Syangja. The fact that borrowing for food has been so high in Syangja is surprising given that only 10% in that district report that sources of income have been affected, with the share being slightly less (9%) for agriculture on own farms, the occupation of over 90% in the district. One-quarter of people who borrowed did so to rebuild or repair their home (24% in severely hit districts) and 20% to finance temporary shelter (31% in severely hit districts).

Figure 4.1: Share of people who have borrowed since June 2015 – by district impact (IRM-1/IRM-2 comparison)

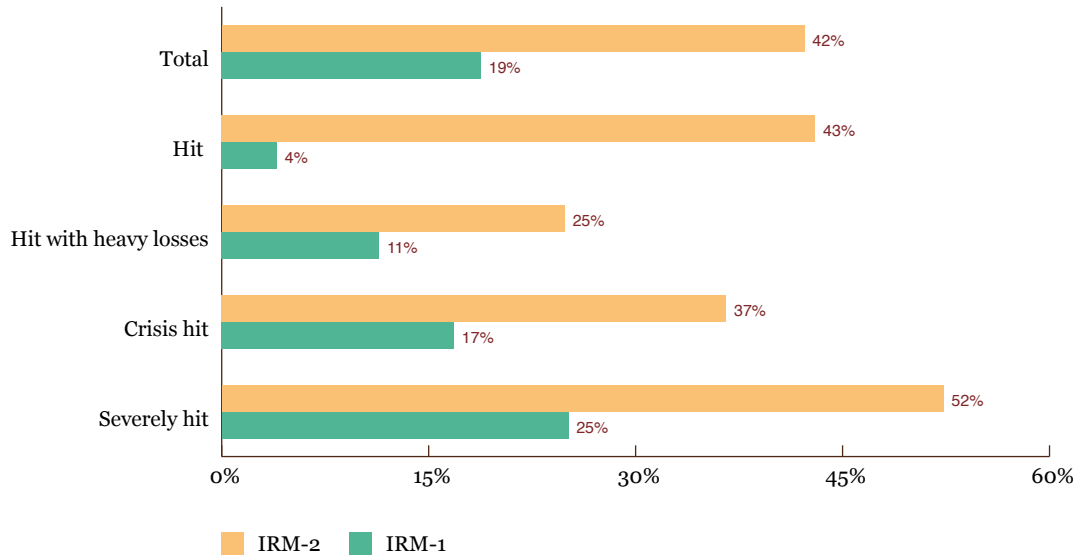
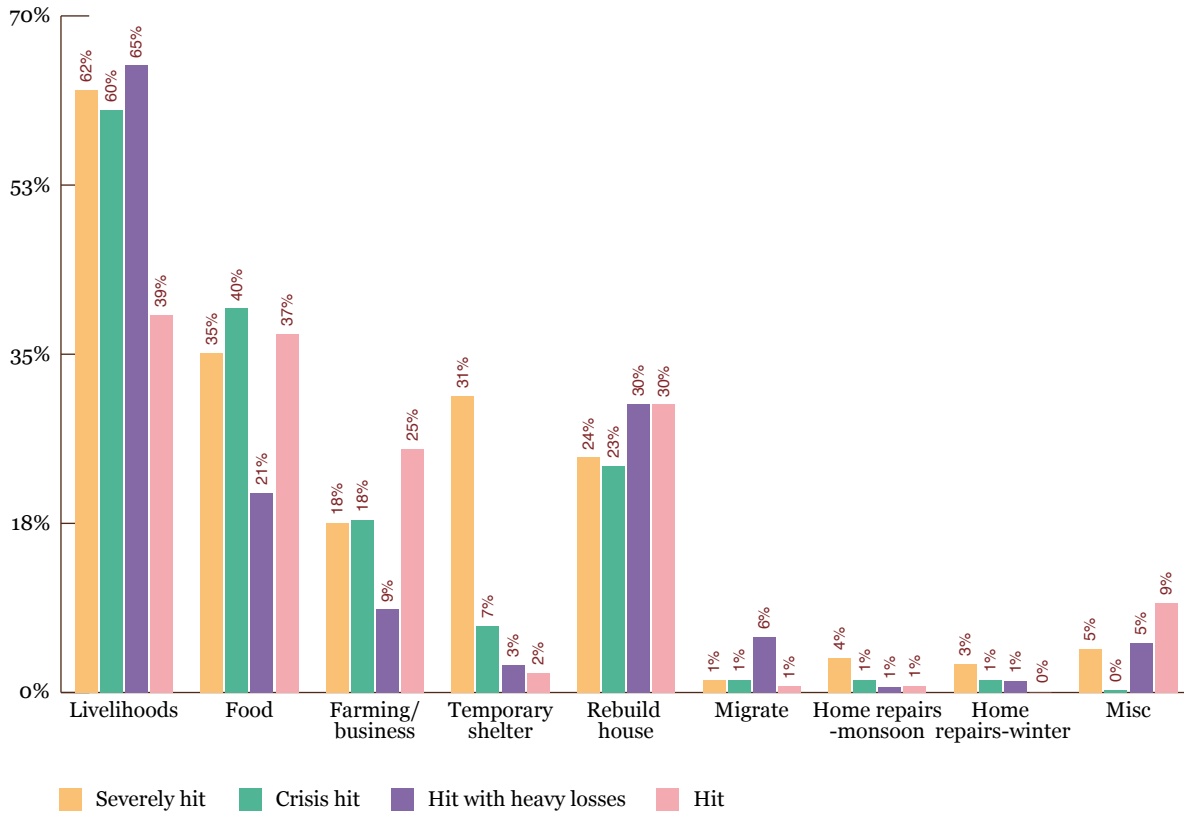


Figure 4.2: Reasons for borrowing, share of those borrowing – by district impact (IRM-2)



Borrowing volumes have also grown substantially since the immediate aftermath of the earthquake.

Average sums borrowed have increased from NPR 61,440 per person who borrowed in IRM-1 to NPR 208,749 in IRM-2, a jump of 240% (Table 4.1). As with shares borrowing, loan amounts appear to be related

to the level of earthquake impact. Borrowing is higher in severely and crisis hit districts (NPR 225,827 and NPR 200,229 on average for each person who borrowed) relative to the lower impact categories (NPR 172,592 and NPR 167,070, respectively). Volumes have increased the most in the severely hit districts (402%), suggesting that credit is being sought in increasing amounts to cope with the impacts of the earthquake.

Table 4.1: Average amount borrowed (NPR) per borrower – by district impact (IRM-1/IRM-2 comparison)

Impact	IRM-1 (NPR)	IRM-2 (NPR)	% Increase
Severely hit	44,941	225,827	402%
Crisis hit	87,545	200,229	129%
Hit with heavy losses	110,959	172,592	56%
Hit	34,375	167,070	386%
All districts	61,440	208,749	240%

There is, however, large variation in the amounts borrowed between districts within each category of impact (Table 4.2). Amongst severely hit districts, for example, borrowers in Dhading have taken loans as high as NPR 645,171 on average, the largest amount of any district. In contrast, borrowers in Ramechhap,

also in the severely hit category, have borrowed only NPR 90,809 on average, the lowest across all districts. Kathmandu follows Dhading as the district with the largest average loan size among borrowers (NPR 528,477), while the other two crisis hit districts have far lower average borrowing amounts.

Table 4.2: Average amount borrowed (NPR) per borrower – by district impact and district (IRM-2)

	Proportion borrowing	Average borrowing among borrowers (NPR)
Severely hit	52%	225,827
Dhading	52%	645,171
Gorkha	47%	159,561
Nuwakot	43%	153,287
Ramechhap	68%	90,809
Sindhupalchowk	51%	111,522
Crisis hit	37%	200,229
Bhaktapur	22%	213,808
Kathmandu	19%	528,477
Okhaldhunga	70%	103,698
Hit with heavy losses	25%	172,592
Lamjung	21%	228,662
Solukhumbu	29%	131,100
Hit	43%	167,070
Syangja	43%	167,070
All districts	42%	208,749

Ramechhap (a severely hit district) and Okhaldhunga (a crisis hit district), which have the highest shares of borrowing, have among the lowest average borrowing amounts. Lower income levels—these two districts have among the largest share of poor households—

mean that while many borrow, they are only eligible for smaller loan amounts, leading to lower coping capacity.

Borrowing is likely to further increase in the future.

Many households interviewed stated that they would borrow more money when that began to reconstruct their homes. If government cash grants prove inadequate to pay for housing reconstruction—most people felt the NPR 200,000 grant from government would

insufficient—or if payments were delayed for too long, they would have to take on additional debt.

Larger shares of the population in higher impact districts intend to borrow in the next three months (Table 4.3). The share is 57% in severely hit districts, 31% in crisis hit districts, and 21% in the third and fourth categories.

Table 4.3: Intention to borrow in the next three months – by district impact and district (IRM-2)

District	Current borrowing	Borrow in next three months
Severely hit	52%	57%
Dhading	52%	50%
Gorkha	47%	50%
Nuwakot	43%	49%
Ramechhap	68%	79%
Sindhupalchowk	51%	58%
Crisis hit	37%	31%
Bhaktapur	22%	29%
Kathmandu	19%	10%
Okhaldhunga	70%	54%
Hit with heavy losses	25%	21%
Lamjung	21%	20%
Solukhumbu	29%	21%
Hit	43%	21%
Syangja	43%	21%
All districts	42%	40%

Sources of borrowing have changed since IRM-1 with a larger share of people turning to formal and semi-formal sources of credit and a lower share using informal sources.

Relatives and neighbors continue to account for the largest share of lenders (Figure 4.3). There has also been a rise in the relative prominence of banks, savings groups, and other financial institutions as lenders. This is a positive development given the higher rates of interest charged by informal sources (see Figure 4.4 below). However, it should be noted that because more people are borrowing than in the IRM-1 period, the actual number of people taking loans from moneylenders has increased: from 3.6% of people in IRM-1 to 5.5% in IRM-2. In districts with more poor people, moneylenders are more important as a borrowing source.³²

While moneylenders are becoming less prominent in severely hit districts, they continue to lend the largest amounts per borrower.

In severely hit districts, they lend on average NPR 109,326 to each borrower, almost three times the amount that banks lend (NPR 35,529 on average). They are followed by banks, neighbors, relatives, cooperatives, and savings groups. This ordering is also true overall across the whole sample.³³

Interest rates charged on loans have risen slightly for most lenders since IRM-1.

Figure 4.4 shows that the highest rates are charged by individuals (on average, 2.51% per month), followed by moneylenders (2.44%) and neighbors (2.17%). Interest charged by formal lenders—such as banks, cooperatives, and other financial institutions—are still high relative to what might be expected from

³² See Table 3.6 in IRM-2 survey report.

³³ See Figure 3.4 in IRM-2 survey report.

commercial banks.³⁴ Reported bank lending rates have remained consistent since the period immediately following the earthquake, with cooperative interest rates rising by 0.1%. Interest rates charged by informal lending sources in IRM-2 are: friends (1.93%), relatives (2.03%), neighbors (2.17%), individuals

(2.51%) and moneylenders (2.44%). These have also risen only slightly since IRM-1 (in the range of 0.1-0.29%). The figures for informal lending institutions, such as moneylenders, appear to be accurate as they are consistent with figures estimated during qualitative field research.

Figure 4.3: Sources of borrowing among those who borrowed (IRM-1/IRM-2 comparison)

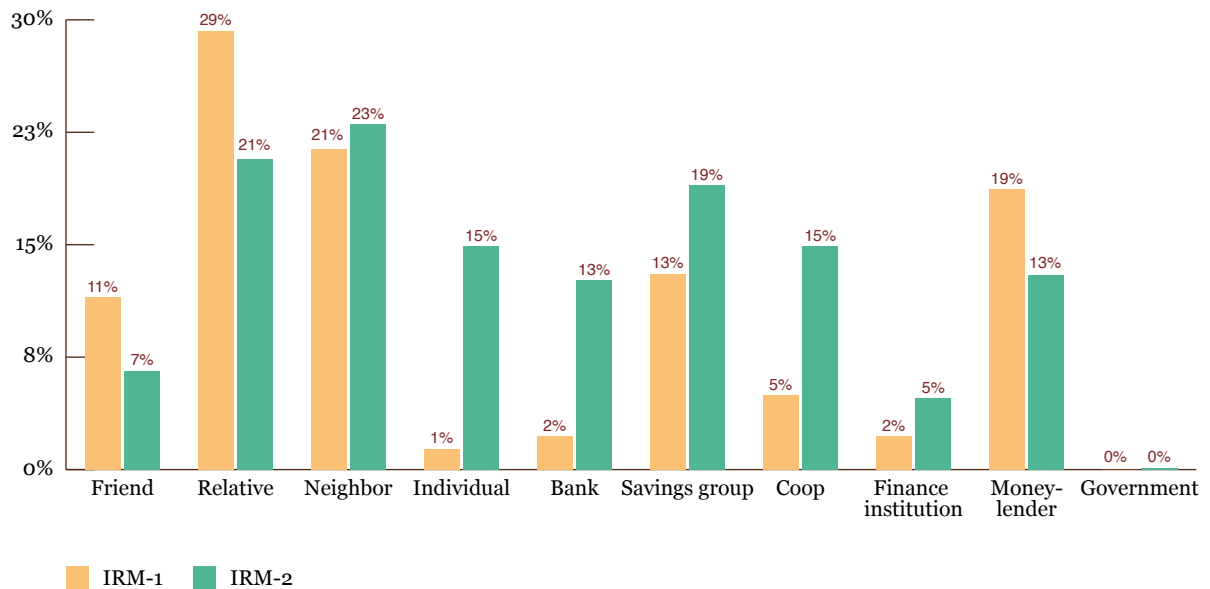
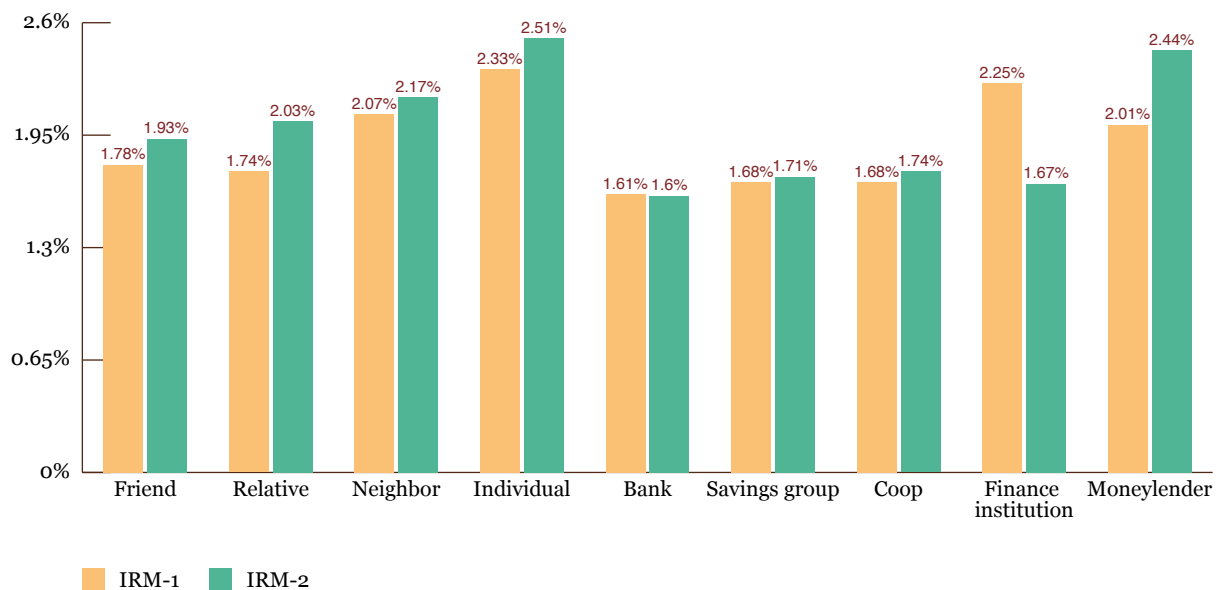


Figure 4.4: Monthly interest rates for different sources (IRM-1/IRM-2 comparison)



³⁴ The reported rates charged by banks are surprisingly high. Banks referred to here are likely to be cooperative banks, which are more common in rural areas and tend to have annual interest rates

of 14-16% for certain types of loans (as per published sources in 2016). “Cooperatives”, a separate survey option, can refer to formal cooperative banks and informal savings groups.

The disabled were just as likely to borrow but take far smaller loans.

For those respondents with a disability, there were no differences in the likelihood of borrowing between those with and without disabilities (42% of each have borrowed) and for any particular borrowing purpose. However, there is a large difference in borrowing amounts: NPR 250,748 for those without disabilities against NPR 143,506 for those with disabilities of any kind. In addition, the share of those intending to borrow in the next three months is much higher for those with disabilities (45% against 37%). There were no significant differences in sources of borrowing or rates charged.

Women were as likely to take loans as men but borrow smaller amounts.

There were not notable differences in the proportion of men and of women who borrow (43% of women borrowed against 42% of men). However, of those who do borrow, men borrow on average more than double the amount women do: NPR 288,206 versus NPR 131,606. Women also reported a lower intention to borrow over the next three months (38% against 42% for men). There was very little differences in the success rates of men and women in securing loans, and only minimal differences in the sources of loans. Borrowing by women from informal and semi-formal sources is higher for women: relatives, neighbors, and savings groups (which often are women-specific). Men were more likely to borrow from cooperatives and moneylenders (Figure 4.5).

Figure 4.5: Sources of borrowing among those who borrowed – by gender (IRM-2)



Difference in ethnic or caste identity had some effect on borrowing.

Janajatis are less likely to borrow (40%) than low and high caste people (46% and 45%, respectively),

but higher caste people on average take the largest loans (NPR 368,249), followed by Janajatis (NPR 117,534), with lower caste people borrowing much less on average (NPR 86,849) – Table 4.4.

Table 4.4: Proportion borrowing and amount borrowed – by caste (IRM-2)

Caste	Proportion borrowing	Average amount borrowed (NPR)
Low caste	46%	86,849
Janajati	40%	117,534
High caste	45%	368,249

A much larger share of lower caste people can be found in the lowest two income brackets (52%) relative to Janajatis and higher castes (44% and 33%, respectively). This would explain the lower borrowing amounts among lower castes. Lower caste people also report a higher share of past loan refusals (9% compared to 6% for Janajatis and 5% for high caste), indicating credit constraints. However, the lower caste group has a lower share reporting the intention to borrow in the next three months (33% versus 40% and 43%).

Lower caste people are the most likely to borrow from moneylenders (23%) and neighbors (33%); higher caste groups are the most likely to borrow from individuals (18%), cooperatives (16%), and banks (15%); and Janajatis are the most likely to borrow from relatives (22%), savings groups (21%), and friends (7%). Lower caste people are also charged higher

interest rates than Janajatis and higher caste people across every type of lender, other than individuals and cooperatives.³⁵

Higher income households take out much larger loans than low or middle income households.

Those in the top income bracket who borrow take loans of NPR 725,679 on average. This is twice as much as those in the next income bracket and more than ten times the size of those who had income of less than NPR 10,000/month before the earthquake. The lowest income group is the most likely to borrow from moneylenders; and the highest income group is the most likely to borrow from banks (36%), individuals (36%), and savings groups (25%) – Table 4.5.

Table 4.5: Sources of borrowing among those who borrowed – by income band (IRM-2)

Monthly income	Friend	Relative	Neighbor	Individual	Bank	Savings group	Cooperative	Finance institution	Moneylender
<NPR 2,500	7%	24%	22%	13%	11%	11%	7%	2%	27%
NPR 2,501 - 9,999	8%	20%	27%	12%	9%	19%	11%	4%	14%
NPR 10,000 - 19,999	6%	21%	22%	15%	12%	19%	17%	6%	12%
NPR 20,000 - 39,999	5%	20%	17%	22%	21%	19%	21%	4%	14%
> NPR 40,000	7%	21%	7%	36%	36%	25%	7%	4%	7%
Total	7%	21%	23%	15%	13%	19%	15%	5%	13%

4.2 Remittances

Remittances have increased in importance as an income source.

Remittances are a main source of income for 16% of the population in IRM-2 (against 11% in IRM-1). Nine percent of those who received remittances before the earthquake report that the earthquake negatively

affected them (Table 4.6).³⁶ The rate is highest in Kathmandu (20%) and Bhaktapur (14%) along with a number of severely hit districts (Gorkha, Ramechhap, and Sindhupalchowk). However, rates of recovery are also highest in the severely hit districts as well as the more urban Kathmandu and Bhaktapur.

³⁵ See Figure 3.15 in IRM-2 survey report.

³⁶ The World Bank reports that remittances fell in 2015. This was primarily a result of a drop in global oil prices, which affected

the ability of people to send remittances. Changes in remittances observed here are thus not necessarily linked to the earthquake. World Bank (2016). *Nepal Development Update May 2016: Remittances at Risk*. Washington, D.C: World Bank.

Table 4.6: Remittances as a share of main income source, impact on remittances, and recovery of remittances – by district impact and district (IRM-2)

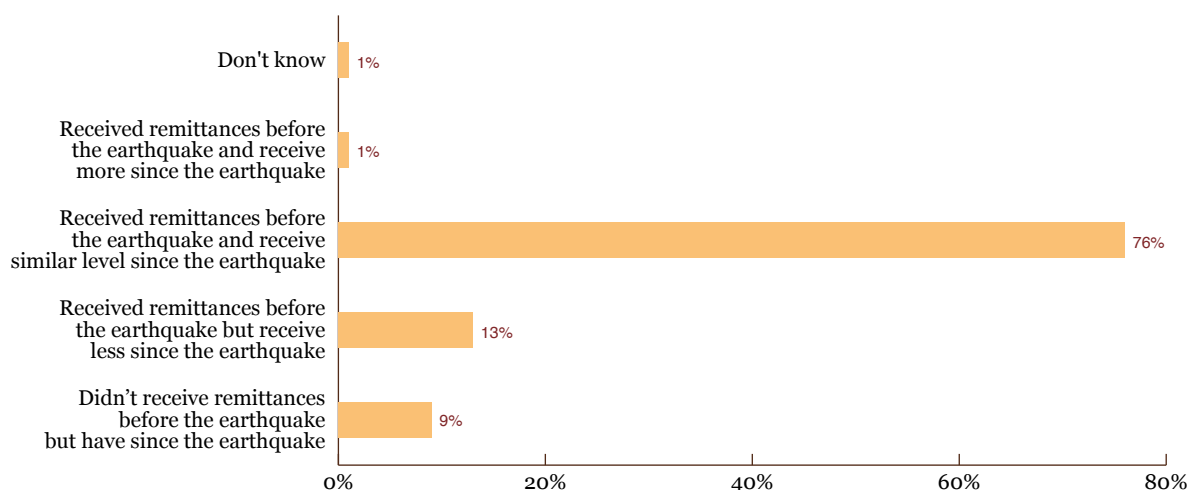
	Remittance as a main income source (IRM-2)	Share of people whose remittances were affected by earthquakes (IRM-2)	Share of affected whose remittances have improved in the past three months (IRM-2)
Severely hit	15%	12%	58%
Dhading	24%	8%	86%
Gorkha	15%	13%	43%
Okhaldhunga	13%	9%	75%
Ramechhap	15%	18%	60%
Sindhupalchowk	10%	12%	25%
Crisis hit	8%	12%	39%
Bhaktapur	6%	14%	67%
Kathmandu	6%	20%	50%
Nuwakot	13%	2%	0%
Hit with heavy losses	17%	5%	33%
Lamjung	23%	3%	0%
Solukhumbu	11%	8%	67%
Hit	41%	6%	38%
Syangja	41%	6%	38%
All districts	16%	9%	53%

While remittances have become more important as an income source, absolute levels of remittances from abroad do not appear to have changed much.

Of the 23% who have received remittances from abroad, 9% report that these are new remittances that began following the earthquake, suggesting that the money is intended to cope with disaster impacts (Figure 4.6). A further 76% who have received remittances from abroad report that they received remittances before the earthquake and continue

to do so in similar amounts. Thirteen percent say they continue to receive remittances but at lower volumes than before the earthquake, while 1% say that remittances have increased since the earthquake.

The qualitative research also found little change in levels of remittances. Field interviews found that since the monsoon remittances had increased in five wards visited during the research, while in two wards remittances decreased. In the other 29 wards there was either no change or no clear trend within the community.

Figure 4.6: Changes in remittances received from abroad (IRM-2)

Findings from the qualitative research suggest that the decrease in remittances from abroad may be because some people overseas have returned home to help with recovery and reconstruction. Multiple households

were found in which family members had returned earlier than planned from abroad, or had delayed an intended departure to help with reconstruction (see below).

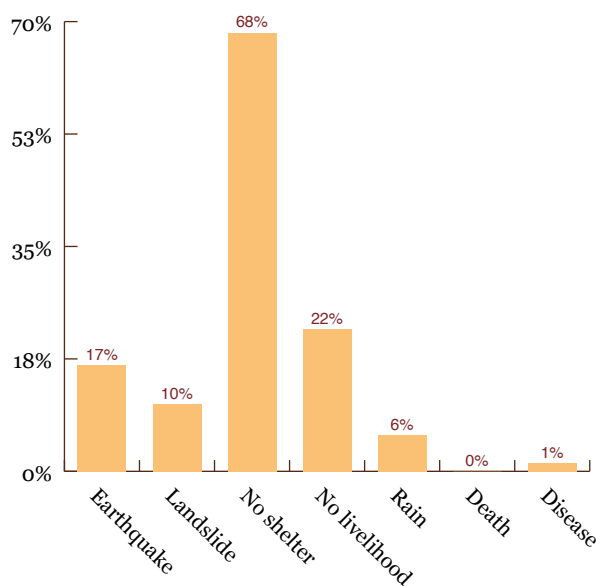
4.3 Migration

The use of migration as a coping strategy to deal with earthquake impacts has been low.

Across all districts surveyed, 6% of households migrated after the earthquake. This figure includes both internal migrants as well as those who chose to go abroad. Eighty-seven percent of those who migrated did so in the first three months after the earthquake, 8% migrated during the 2015 monsoon, and 4% migrated after. Crisis hit districts, which include Kathmandu and Bhaktapur, have more than double the rate of migration on average (12%) relative to severely hit districts (5%); the third and fourth categories of impact have lower rates (4% and 1%, respectively).

The most commonly cited reason for migration was lack of shelter (68%), followed by lack of livelihood opportunities (22%), landslides caused by the earthquake (17%), and the risk of future landslides (10%) – Figure 4.7.

Figure 4.7: Reasons for migration (IRM-2)



The percentage of households reporting migration was lower in rural areas compared with urban areas (5% against 9%). There was also higher migration rates at

higher income levels (NPR 10,000 and above). There were no significant differences between migration by respondents with disabilities, or for different ethnic or caste groups.

Of those who migrated since the earthquake, 60% had returned to their homes by the time of the IRM-2 survey.

This finding was substantiated by the qualitative research. Many people who were initially displaced—as they sought areas with less landside risk, or temporary shelter for the monsoon—were returning to their communities, often to cultivate their fields.

In terms of international migration, the qualitative research found stories of people who were working abroad returning early and those who were planning to leave delaying their departure to support the reconstruction efforts. There were isolated instances and the field research did not clearly establish a wider trend of migrants returning home in the months since the earthquake. However, such stories are corroborated by official statistics.³⁷ Rates of international migration were already high in some areas studied, and there was no clear indication that more households than usual are considering migrating abroad.

³⁷ Official statistics suggest a trend of migrant workers returning to take care of their families. See Ratha et.al. 2016 “Migration and Remittances – Recent Developments and Outlook” Migration and Development Brief 26, April 2016, World Bank, Washington, DC <http://pubdocs.worldbank.org/en/661301460400427908/MigrationandDevelopmentBrief26.pdf>

4.4 Asset Sales

Sale of assets since the earthquake has been low.

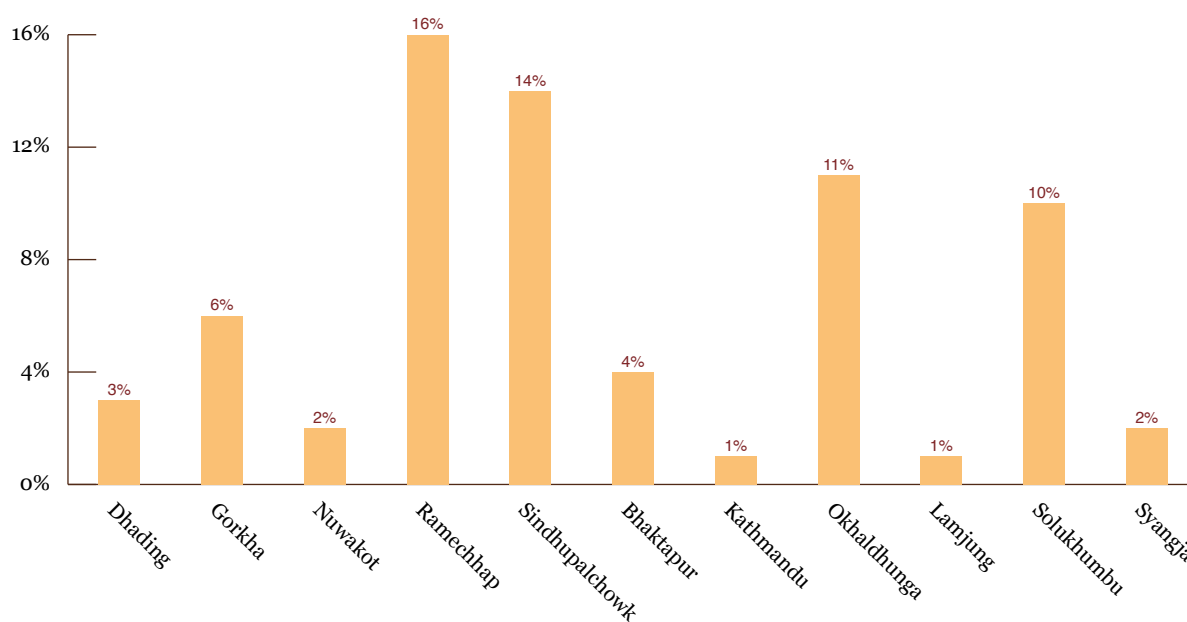
Across all districts, 6% of those surveyed had sold assets since the beginning of the 2015 monsoon. This was higher in severely hit districts (average 8%), especially Ramechhap and Sindhupalchowk, and also in Okhaldhunga and Solukhumbu (Figure 4.8).

The vast majority of asset sales (89%) have been of livestock.

Given that 6% of all people sold assets, and 89% of these sold livestock, this means that 5.3% of all people

across the whole sample have sold livestock. Of those who sold livestock, 17% say they sold all, 28% over half of the livestock they had, 30% sold between one-quarter and one-half of their livestock, and 26% under one-quarter. Qualitative interviews found examples of families selling livestock due to displacement as families in high impact wards moved to temporary settlements. Other survivors reported selling their livestock to meet immediate needs such as household expenses and to pay for building temporary shelters or to repair damaged structures. Some respondents described the slowing of asset sales after the monsoon because of the cash grants provided by the government, which helped people address their basic needs.

Figure 4.8: Share of people selling assets – by district (IRM-2)



Land sales have been relatively low.

People selling land account for 8% of those selling assets. This means that around 0.5% of all respondents have sold land. Of this group, 10% had sold all their land, with 3% selling over half, 28% selling between one-quarter and one-half, and 59% less than one-quarter. Qualitative field research suggests that land sales have been low because many households were

waiting for government grants before deciding to take such drastic measures, and also that in severely affected areas there was not a significant market of people trying to purchase land. Qualitative interviews suggest, however, that many households will consider selling land in the future if they cannot repay their loans, or if government grants are not sufficient to rebuild their homes.



Chapter 5.

Politics and Leadership

Photo: Tanka Gurung

In the wake of the earthquake, local officials, political party leaders and the national government all played critical roles in responding to emergency needs. IRM-2 found that coordination and leadership of the recovery effort at the local level now reflects common practice in Nepal, with local officials consulting political

party representatives in decision-making. While Ward Citizen Forums have played a more active role, there has not been a rise in new leaders. Satisfaction with political parties has declined but there is no clear indication yet of changes in people's political preferences.

5.1 Political parties

Political parties continue to play a major role in decision-making around aid.

Local officials at the ward, VDC, and district levels have consulted political parties in local decision making for many years, and this has continued since the earthquake. Political party leadership were formally included in the DDRCs and RDCs after the earthquake. During the emergency relief period, they played an important role assisting overburdened local bureaucrats in planning and executing the government's immediate relief and recovery programs, and in mediating earthquake-affected people's grievances with the state. During the second round of field research, political parties were still involved in DDRCs and RDCs, although these bodies were less active compared to the pre-monsoon period last year.

Political parties facilitated communication between local residents and government officials at the district level.

Political parties were sufficiently organized to listen to local needs through their representatives at the ward and VDC levels, and to then communicate that information to stakeholders at the district headquarters through their participation in DDRCs and other meetings. Similarly, these communication channels within political parties were at times useful for informing local citizens about decisions made at the district headquarters and in Kathmandu, as well as informing NGOs on aid needs and providing information for targeting.

However, dissatisfaction with the role political parties played in responding to post-earthquake needs was high and has increased in the second round of research.

Overall, satisfaction with the role of local political parties in the aid response is low. Only 32% of respondents in IRM-2 reported feeling satisfied with parties with 61% reporting dissatisfaction. Those living

in more affected districts were even more likely to express dissatisfaction with political parties than those in areas that were impacted less (Figure 5.1).

Comparing responses between IRM-1 and IRM-2, there is a clear trend of decreasing satisfaction with

local political parties. Of those who were very satisfied in IRM-1, 62% now state dissatisfaction; 57% of those who said they were somewhat satisfied in IRM-1 now express dissatisfaction. Only 30% or less of respondents who expressed dissatisfaction in the first phase of research have become more satisfied (Table 5.1).

Figure 5.1: Satisfaction with local political parties – by district impact (IRM-2)

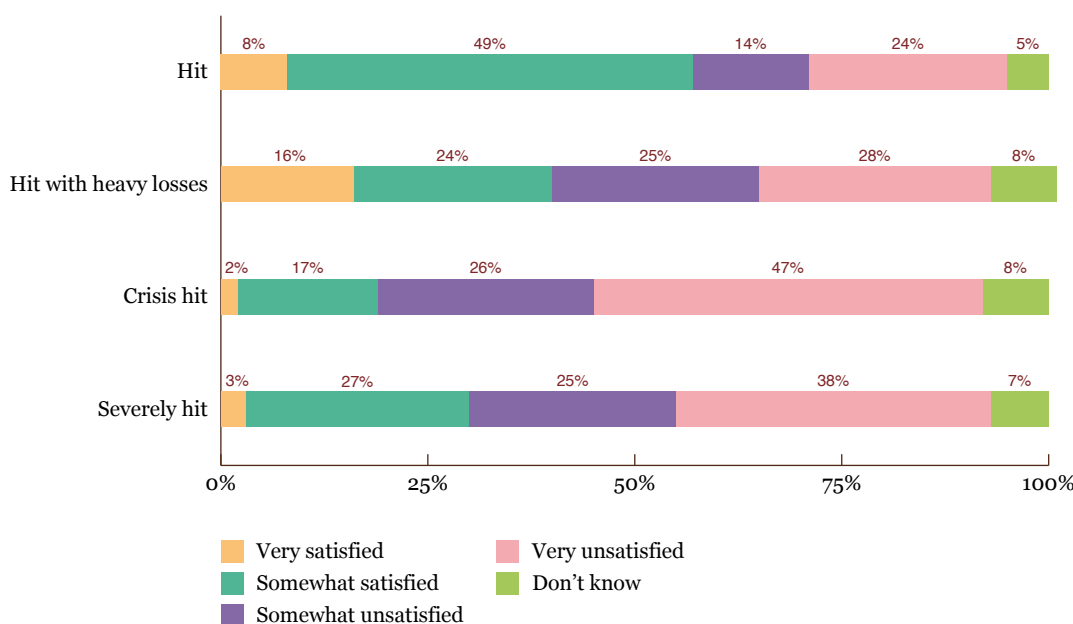


Table 5.1: Satisfaction with local political parties – individual panel data (IRM-1/IRM-2 comparison)

		How satisfied or unsatisfied are you with local political parties? (IRM-2)					Total
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	
How satisfied or unsatisfied are you with local political parties? (IRM-1)	Very satisfied	11%	24%	38%	24%	3%	100%
	Somewhat satisfied	6%	32%	23%	34%	4%	100%
	Somewhat unsatisfied	3%	23%	30%	39%	5%	100%
	Very unsatisfied	4%	26%	22%	41%	6%	100%
	Refused	17%	17%	17%	50%		100%
	Don't know	2%	24%	20%	37%	16%	100%

A key reason for dissatisfaction is perceptions that damage assessments were politicized.

In IRM-2 complaints about political actors influencing the outcome of damage assessments were more frequent, and people commonly felt that inflated or understated damage assessments were the result of political party favoritism.

Declining levels of aid have led people to blame political parties.

The level of aid provided in a location seems to be an important determinant of levels of satisfaction with local political parties. This can be seen in the variation between districts within impact categories in satisfaction with political parties' role in aid delivery (Table 5.2). Amongst the severely hit districts, there is less dissatisfaction in Ramechhap and Nuwakot than in other districts. Ramechhap and Nuwakot

have received more aid than most other severely hit districts. For hit with heavy losses districts, people are much more likely to be satisfied in Solukhumbu, which has received significant amounts of aid, than

in Lamjung. The exception is Sindhupalchowk, which received high amounts of aid but where satisfaction with political parties remains low.

Table 5.2: Satisfaction with local political parties – by district (IRM-2)

	How satisfied or unsatisfied you are with local political parties?					Total
	Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	
Severely hit	3%	27%	25%	38%	7%	100%
Dhading	1%	20%	11%	66%	2%	100%
Gorkha*	3%	21%	23%	49%	4%	100%
Nuwakot	3%	26%	31%	25%	15%	100%
Ramechhap	4%	39%	33%	18%	5%	100%
Sindhupalchowk	5%	28%	25%	36%	7%	100%
Crisis hit	2%	17%	26%	47%	8%	100%
Bhaktapur	1%	17%	14%	57%	10%	100%
Kathmandu*	2%	16%	23%	53%	5%	100%
Okhaldhunga	2%	17%	43%	29%	9%	100%
Hit with heavy losses	16%	24%	25%	28%	8%	100%
Solukhumbu	30%	21%	15%	23%	11%	100%
Lamjung	1%	26%	34%	33%	5%	100%
Hit	8%	49%	14%	24%	5%	100%
Syangja	8%	49%	14%	24%	5%	100%

*1% refused to respond

While satisfaction with political parties has been declining, this is not true for overall perceptions of government performance.

Satisfaction with the central government increased between IRM-1 and IRM-2. Using the panel data, 55% or more of respondents who reported they were either somewhat or very unsatisfied with the central

government in IRM-1 expressed satisfaction with the central government in IRM-2, whereas 32% of respondents who were satisfied in IRM-1 are now somewhat or very dissatisfied. This net positive trend took place despite the fact that 74% of households reported that their constituent assembly members had not visited since the 2015 monsoon season.³⁸

Table 5.3: Satisfaction with the central government – individual panel data (IRM-1/IRM-2 comparison)

		How satisfied or unsatisfied are you with central government? (IRM-2)					Total
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	
How satisfied or unsatisfied are you with central government? (IRM-2)	Very satisfied	14%	53%	16%	16%	1%	100%
	Somewhat satisfied	15%	50%	17%	14%	3%	100%
	Somewhat unsatisfied	13%	45%	19%	19%	3%	100%
	Very unsatisfied	7%	48%	21%	22%	2%	100%
	Refused	0%	100%	0%	0%	0%	100%
	Don't know	16%	49%	12%	16%	8%	100%

³⁸ See Figure 7.13 in IRM-2 survey report.

5.2 Emergence of new leadership and political party preferences

There is no evidence of new leadership emerging that is challenging existing political dynamics.

In many places, Ward Citizen Forum (WCF) coordinators have played an increasing role since IRM-1. In one-third of VDCs visited for the qualitative fieldwork, researchers observed that the WCF had been an important local institution during relief and recovery and that WCF coordinators had played leadership roles during the implementation of recovery efforts. In wards where the presence of political parties was rather limited, such as in parts of Gorkha district, WCF coordinators were more active in the planning and distribution of relief. However, there was no indication that this is spilling over into an enhanced role for WCF coordinators in broader local governance. WCF members were quick to point out to researchers that they remain marginal in actual decision-making. Informal local leaders, including general citizens, teachers, saving and credit cooperative officials, philanthropists, and business people, have become involved in the relief and recovery process. But this has not translated into wider leadership roles.

There are indications of some changes in political preferences but most people remain undecided as to who they will vote for in the next election.

Among those who have decided who they will vote for, there is increased support for Nepali Congress and CPN-UML with a slight drop in support for UCPN (Maoist). Table 5.4 combines information on who people voted for before and who they say they will vote for at the next election. As with IRM-1, of those who have decided who to support in the next election, most intend to vote for the same party as before. For example, only 1% of people who voted Nepali Congress in the last election say they will vote for a different party next time round. The figure is also 1% for CPN-UML. Past UCPN (Maoist) supporters make up a larger share of voters in severely hit districts. But only 20% of those who said they chose UCPN (Maoist) in the last election state that they would vote for the party if an election were held. Indeed, those who voted for UCPN (Maoist) in the last election are more likely to have shifted their allegiance, with 8% saying they will now vote for Nepal Congress or CPN-UML and 61% saying they still have to make up their mind. The decline in support for UCPN (Maoist) is seen across all caste groups.

Table 5.4: Current political preferences – by past votes (IRM-2)

		If an election was to be held soon, which party would you vote for? (IRM-2)										Total
		Nepali Congress	CPN-UML	UCPN (M)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	
Voted for in last election (IRM-2)	Nepal Congress	49%	1%	0%	0%	0%	0%	3%	0%	4%	42%	100%
	CPN-UML	1%	44%	0%	0%	0%	0%	4%	0%	6%	45%	100%
	UCPN (Maoist)	5%	3%	20%	0%	0%	0%	4%	0%	6%	61%	100%
	RPP-N	0%	8%	0%	52%	0%	0%	0%	0%	4%	36%	100%
	RPP	5%	3%	0%	0%	40%	0%	3%	0%	3%	48%	100%
	MJF-Nepal	0%	0%	0%	0%	0%	75%	25%	0%	0%	0%	100%
	Did not vote	5%	3%	1%	1%	0%	0%	18%	0%	4%	68%	100%
	NMKP	0%	0%	0%	0%	0%	0%	6%	26%	4%	64%	100%
	Refused	0%	1%	0%	0%	0%	0%	2%	0%	53%	44%	100%
	Don't know	0%	0%	0%	0%	0%	0%	1%	0%	1%	98%	100%



Chapter 6. Social Relations and Conflict

Photo: Amanda Gurung

Continuing strong social cohesion characterizes earthquake-affected areas. Perceptions of safety have increased since IRM-1. Despite increasing tensions in

a small number of communities, there has been almost no violence. Tensions are largely related to perceived unfairness in aid distribution and displacement.

6.1 Security and crime

Feelings of safety have improved since IRM-1.

Whereas 83% of respondents in IRM-1 reported feeling safe in their communities, this has increased to 97% of IRM-2 respondents. Qualitative field interviews with security officers and community members suggest that there has not been any significant change in crime rates during the monsoon or the winter season.³⁹

People in severely hit districts report feeling safer compared to other areas, but differences between areas with different earthquake impacts is minimal (Figure 6.1). Increased feelings of safety have occurred despite the deployment of security personnel normalizing, having increased in affected areas after the disaster. Only Sindhupalchowk district had yet to see a decrease in security personnel back to pre-earthquake levels.

Perceptions of safety did not vary for men and women, or by other factors, except for where people are living now.

The survey results do not show differences in perceptions of safety by gender. Likewise, there are no significant variations when disaggregating perceptions of safety by caste or disability. Households in urban areas felt very slightly less secure (96% safe in urban areas and 98% in rural locations). The most significant variable for perceptions of safety was the type of shelter households people lived in. Those living away from their own land felt more unsafe. This included those in temporary shelter on other people's land, people renting houses, and those living in temporary shelters on public land (Table 6.1). Qualitative interviews also found heightened perceptions of insecurity among

³⁹ Some security officers said they believed some criminal activities that had been an issue prior to the earthquake, such as robberies and illegal extraction from community forests in Gorkha, and petty crimes in Sindhupalchowk, had decreased since the earthquake.

There has been a slight increase in official reports of rapes and suicides in some districts, but local security actors do not believe there has been a systematic increase.

those in temporary shelter, most notably women. Some women living in temporary shelter who were interviewed during the field research expressed fear

of being exposed to the risk of sexual violence and robbery.

Figure 6.1: How safe and secure do you feel now in your community? – by district impact (IRM-2)

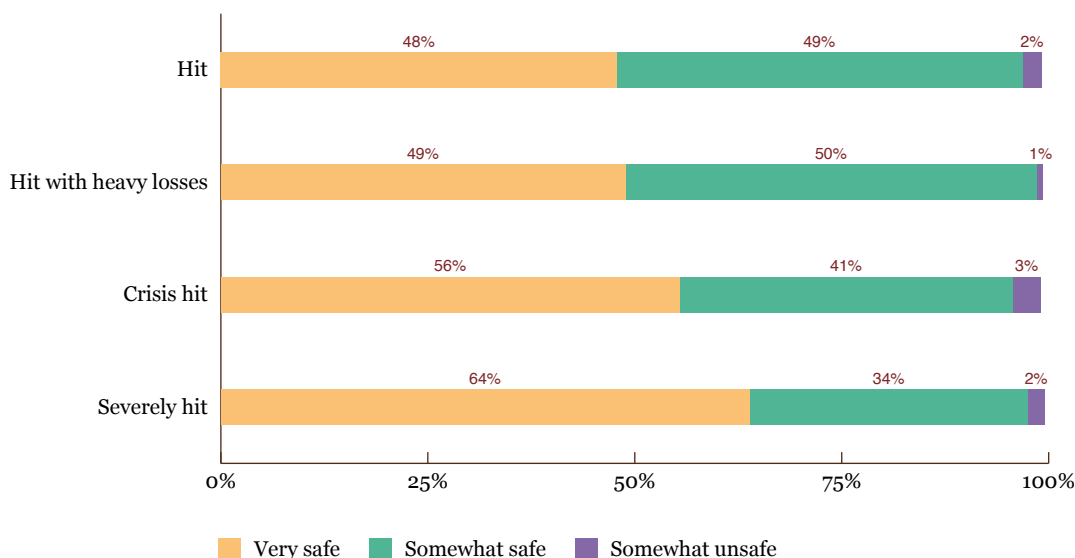


Table 6.1: How safe and secure do you feel now in your community? – by current shelter (IRM-2)

Where are you living now?	Very safe	Somewhat safe	Somewhat unsafe	Very unsafe	Total
Own house	53%	44%	2%	0%	100%
Neighbor’s house	44%	53%	0%	3%	100%
Friend’s house	67%	33%	0%	0%	100%
Self-constructed shelter on own land	64%	34%	2%	0%	100%
Self-constructed shelter on other people’s land	68%	28%	4%	0%	100%
Self-constructed shelter on public land	58%	33%	8%	0%	100%
Community shelter	67%	33%	0%	0%	100%
Rent	60%	27%	7%	7%	100%

There were almost no reports of violence occurring.

Ninety-nine percent of people report that there have been no violent incidents in their community since the beginning of the 2015 monsoon. Only in Syangja district did more than 1% of households report that a violent incident had occurred in their community since the monsoon.⁴⁰ In IRM-1, 3% of households reported that violent incidents had occurred since the earthquake.

While official statistics and quantitative survey results suggest violence and crime has reduced, issues related to gender-based violence and alcohol intake should be monitored.

Many respondents reported that they believed incidents of sexual and gender-based violence, including domestic violence, had occurred since the disaster. These crimes were clearly taking place before the earthquake as well and interviews could not establish a clear earthquake-related trend. Respondents in Sindhupalchowk, Ramechhap, Okhaldhunga, Solukhumbu, and Syangja districts all reported perceptions that over the course of the monsoon and winter seasons alcohol consumption had increased, in part as a coping mechanism to deal with trauma and poor living condi-

⁴⁰ The figure was 1.4% in Syangja.

tions. Security officials also frequently cited alcoholism as a cause of violence and crimes, especially domestic violence. While these perceived trends are difficult to

corroborate, they present potential emerging challenges that will need to be tracked.⁴¹

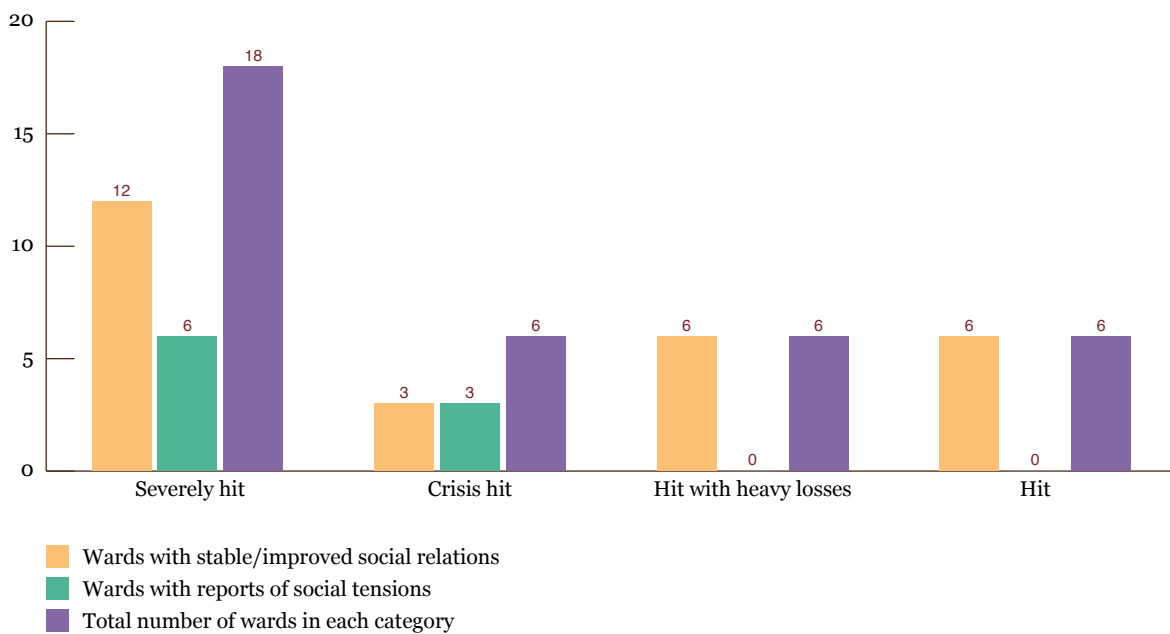
6.2 Trust and social cohesion

In most communities, social relations have remained strong.

Out of 36 wards visited in the qualitative study, 27 wards reported that social cohesion did not deteriorate after the earthquake (Figure 6.2). Most communities maintained good social relations after the earthquake,

despite being under multiple pressures, and this trend has continued since the emergency phase ended. There have been many complaints, such as those over damage assessments, but communities have managed tensions without them escalating into broader social problems.

Figure 6.2: Assessment of trends in social relations post-earthquake by ward respondents



In seven of these communities, social cohesion has improved since the earthquake. People attributed this to a spirit of cooperation and communal living as they coped with challenges in the immediate aftermath of the earthquake. In one ward studied in Sindhupalchowk, for example, 85 families lived together in a communal shelter following the earthquake. They shared a common meal, sharing 60kg of mixed porridge among themselves equally, and developed a system of rotating labor exchanges to build temporary shelters, clear rubble, and resume farming. In another wards, people provided low interest loans to affected neighbors. There were cases of people going across caste and ethnic boundaries

to help each other. For example, Gurung families in one ward in Syangja allowed six Dalit families to live in unoccupied houses through the monsoon season. However, most of these cases occurred in the early months after the disaster, and it is unclear whether there will be lasting positive impacts on social relations.

⁴¹ IRM-2 did not reveal incidents of trafficking during the field research, although other studies have noted that trafficking may have increased after the earthquake in certain areas. The situation should be monitored carefully.

In nine other communities studied, there are signs of significant social tensions but this has not led to open conflict or violence.

The cases involved three issues: (i) displacement and resettlement; (ii) perceived discrimination or unfair treatment in relief distribution; and (iii) conflict over scarce water.⁴² Observed conflicts and tensions, with the exception of one case related to water resources, generally involved friction between a minority (ethnic, caste, displaced persons) and a majority group. Several

cases had a perceived caste or ethnic dimension to them, with discrimination against Dalits, low caste community members, or involving tension between ethnic groups. While these tensions were present, conflict and disagreements remained limited to verbal confrontation or complaints and resentment. In no cases did field researchers find evidence of escalation and violence. Disputes around displacement and resettlement, especially when it related to the occupation of public land, were seen as causing the most tension.

Case Study 6: Tensions over relocation in Sinhupalchowk

Citizens relocating without adequate consultation with local officials or with the wider community created tension in some locations. In Syaule Ward 8 in Sindhupalchowk, some tension was generated when 19 families moved from Dadagaun because of fears of landslides. They set up shelters on the main road into the VDC, occupying potentially valuable commercial land and naming the location Naya Basti. Although they reached out to the RDC to seek permission from the DDC for the resettlement, and were still awaiting an answer at the time of the research, other VDC residents thought they were being opportunistic and intentionally using the earthquake as an excuse to permanently occupy the land. Giving their settlement a name only strengthened the suspicion that they were planning to settle there permanently. Other villagers, including those from a nearby settlement called Kerabari, resented this, accusing the people from Dadagaun of relocating without having been at real risk, and of planning to

exploit the economic opportunity of occupying land on the main road.

Since Kerabari residents had also experienced deaths during the earthquake due to landslides, and had also suffered from landslide problems before the earthquake, their frustration was heightened. Those interviewed explained that households in their community had already filed a claim for resettlement before the earthquake. They strongly felt that they had suffered more damage than the Naya Basti residents who were poised to benefit economically by establishing a new settlement on the main road of the VDC. Given these tensions, people in Naya Basti kept hearing rumors in the village that they would have to move soon and that the owners of the land on which they had settled planned to sell the land. As an official decision on their settlement was pending, the relations between the Naya Basti residents and the rest of the village were very poor.

⁴² More details on these and other cases can be found in Chapter 8 of the IRM-2 qualitative report.

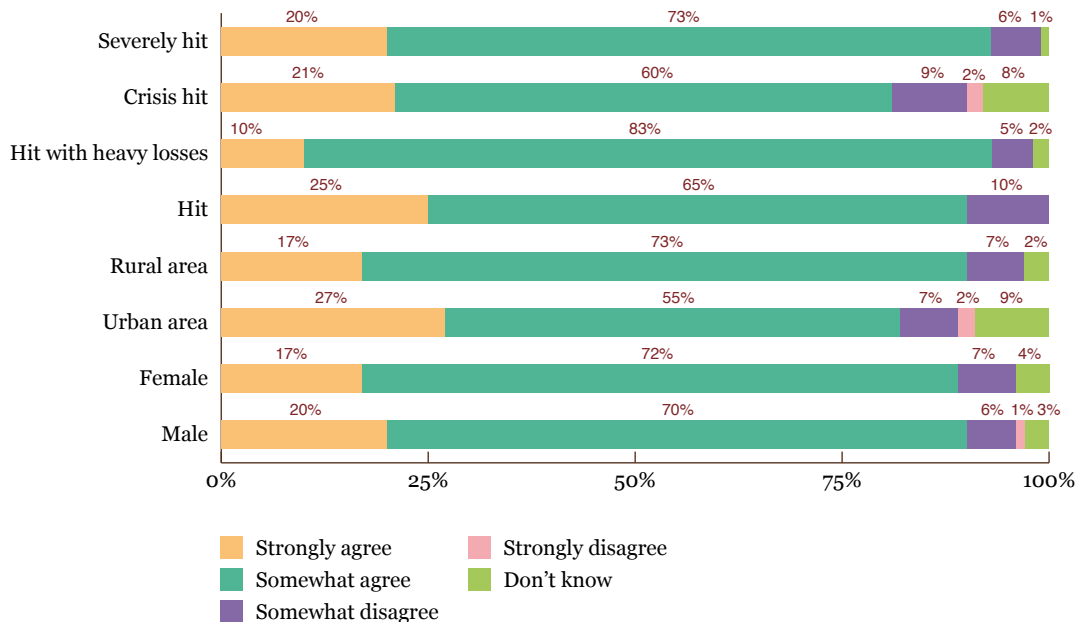
6.3 Sense of fairness and grievances with aid providers

It is widely held that people of all identities have had equal access to aid.

Overall, 89% of surveyed respondents agreed that people of every caste, religion, and ethnicity have been equally able to receive aid according to their needs. Across all areas, only 8% disagreed. However,

when disaggregated by impact levels, there is more substantial variation (Figure 6.3). Ten percent of respondents in hit and crisis hit districts say they disagree, compared to 6% in hit with heavy losses districts and severely hit districts. There is relatively little difference in the responses of people in urban and rural areas, or of men and women.

Figure 6.3: Do you think people of every caste, religion, and ethnicity are equally able to receive aid according to their needs? – by district impact, urban/rural, and gender (IRM-2)



More people think that aid is distributed fairly by VDCs /municipalities than in the early months after the earthquake. Perceptions of fair distribution are more common in severely hit districts.

There is a large increase in the share of people who feel that aid is being distributed fairly by VDCs/municipalities. In IRM-1, 55% of people felt aid was being fairly distributed.⁴³ When asked if this was the case since the beginning of the 2015 monsoon, 76% agreed and 28% disagreed. Those in severely

hit districts were the most likely to feel aid is being distributed fairly while those in the crisis hit districts were the least likely (Table 6.2). This is likely because aid distribution has been very wide in severely hit districts (reaching 95% of people) whereas only around one-half of people in crisis hit districts have received aid. This link between limited distribution and perceived unfairness can be seen in Lamjung district, where 45% reported that aid was not distributed fairly.⁴⁴ Aid distribution has been particularly low in Lamjung, with 53% saying they had not received aid.

⁴³ IRM-1 survey report, p. 44.

⁴⁴ Lamjung is the district that borders with Gorkha, the epicenter of the first earthquake.



Photo: Alok Pokharel

Table 6.2: Fair distribution by VDC/municipalities – by district impact and district (IRM-2)

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Refused	Don't know	Total
Severely hit	34%	42%	12%	9%	0%	3%	100%
Dhading	34%	38%	13%	10%	0%	5%	100%
Gorkha	33%	43%	9%	14%	0%	2%	100%
Nuwakot	35%	45%	11%	6%	0%	2%	100%
Ramechhap	27%	49%	15%	6%	0%	3%	100%
Sindhupalchowk	39%	35%	11%	10%	0%	5%	100%
Crisis hit	14%	35%	14%	25%	0%	12%	100%
Bhaktapur	12%	28%	13%	21%	1%	25%	100%
Kathmandu	4%	47%	16%	28%	1%	5%	100%
Okhaldhunga	27%	30%	13%	26%	0%	5%	100%
Hit with heavy losses	30%	38%	13%	15%	0%	4%	100%
Lamjung	10%	40%	20%	25%	0%	5%	100%
Solukhumbu	51%	37%	5%	4%	0%	3%	100%
Hit	23%	41%	12%	13%	0%	11%	100%
Syangja	23%	41%	12%	13%	0%	11%	100%

There were perceptions of unfair distribution based on location, caste, and perceived political bias in some places. However, frustrations were directed at decision-makers and did not lead to violence.

Complaints about access to relief, targeting, damage assessments, and other issues were consistent with

those reported during the first round of research. There were examples of remotely located communities feeling that their access to aid was less than that of more easily accessible wards were present.⁴⁵ Dalits also reported feeling disadvantaged in aid distribution in at least two wards visited.⁴⁶ The quantitative survey also confirmed the higher perception of unfairness among Dalits (Figure 6.4).⁴⁷

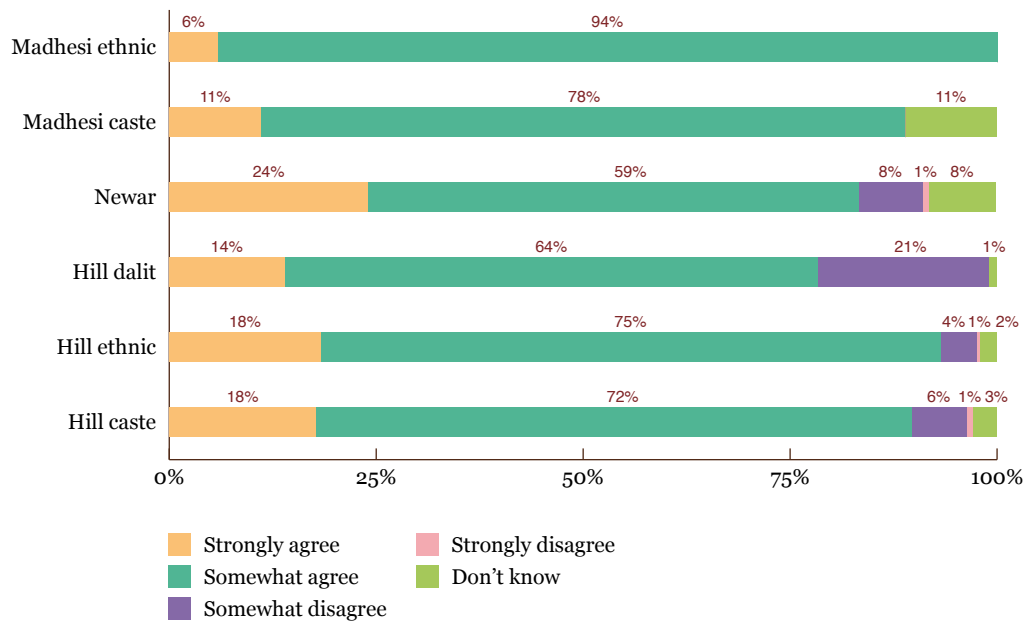
⁴⁵ This was heard in wards including Barpak wards 1, 2, and 3 in Gorkha, Baruneshwor Ward 1 and Katunje Ward 4 in Okhaldhunga, and Syaule Ward 1 in Sindhupalchowk

⁴⁶ In Dhuwakot Ward 9, Gorkha, Dalits felt that Brahmins and other residents had better access to relief and the best materials because the relief was dropped off in an area near high caste family houses. Dalits in Katunje VDC Ward 1 in Okhaldhunga reported that no

one listened to their opinions and that they had been discriminated against in relief and the damage assessments.

⁴⁷ However, Dalits were more likely to agree that aid was distributed fairly by VDC/municipalities since the last monsoon (68%), in contrast to Madhesi ethnic (36%), Madhesi caste (56%), Newars (58%), and hill castes (60%).

Figure 6.4: Do you think people of every caste, religion, and ethnicity are equally able to receive aid according to their needs? – by ethnic group (IRM-2)



Equal distribution of aid was still commonly used as it helped maintain good social relation. Targeted aid was welcome in some places, but it created tensions in other locations.

The most common pattern of aid delivery from the RDC was even and equal distribution to all qualifying households even when they had endured different levels of impact. In most places, people were happy with this. There were cases where uneven distribution led to disputes that were only resolved when the decision was taken to return to equal distribution.⁴⁸

Aid delivered by NGOs and INGOs was more likely to be targeted and was usually distributed directly

to members of ‘marginalized’ or ‘vulnerable’ groups, including Janajati, Dalits, women, the elderly, and children. In some VDCs, dominant social groups articulated resentment toward neighbors from different social or ethnic groups who were the target group for a specific program’s aid. This happened in Tanglichok VDC Ward 9 in Gorkha district, a ward that is predominately inhabited by economically disadvantaged Chepangs, within a VDC largely inhabited by Gurungs. Similarly, the feeling that low caste Dalits are prioritized for aid over high caste Brahmin and Chettri residents was voiced by higher castes in Katunje and Baruneshwor VDCs in Okhaldhunga district.

6.4. Potential sources of conflict

Scarce water sources affect farming and water consumption and can cause conflicts.

Disruption of water sources, damage to irrigation systems, and shortages of drinking water were reported in multiple areas in four out of the six districts studied. While this clearly affects livelihoods and daily

life, there are also signs that it has the potential to cause conflict between residents. In Lisankhu Ward 3, Sindhupalchowk, frequent disputes between women collecting water for their household were reported. Delayed attention to the water needs of affected communities has the potential to lead to more conflict in the future.

⁴⁸ This happened in both Nele Ward 7, Solukhumbu, and Doramba Ward 5 in Ramechhap.

Ongoing displacement is a potential source of conflict in communities where resettlement was tolerated because it was to be temporary.

The unplanned nature of resettlement during the 2015 monsoon, particularly concerning the use of public land, has produced friction in some communities, which was expressed variously from resentment through to outright caste discrimination. Even in places where the use of public land has yet to cause conflict, accommodating displaced persons on both private and public land was regarded as a temporary solution for the previous monsoon. As residents of Barpak in Gorkha district related, they were happy to let others live on their land rent free initially, but they would be unable to do so indefinitely.

Patterns of relief distribution can exacerbate existing tensions or turn existing social prejudices into tensions.

So far, perceived or actual discrimination/unfairness in access to aid has not led to a serious deterioration in social relations in communities. However, if resentment is left unaddressed, and especially in areas that already experience divisions along communal lines, there is potential for disputes to escalate into larger intra-community conflict. In a context going forward where programs target only those who hold a beneficiary card, the challenge of perceptions created by using different targeting strategies will become increasingly important to monitor and engage with.



Photo: Chiran Manandhar



Chapter 7. Conclusions and Recommendations

Photo: Chiran Manandhar

7.1 Overview of conclusions

The first round of IRM, conducted in June 2015, found that the physical impacts of the earthquake had been immense. In many areas, almost all houses were fully or partially destroyed and public facilities often suffered significant damage. Affected communities were using a variety of strategies to cope and recover. Emergency aid was helping many, including those in remote areas, but there was evidence of mistargeting. At the time of IRM-1, people said they needed new forms of assistance for the coming months, especially cash and support for building sturdier shelters or to reconstruct their houses.

IRM-2, conducted almost one year on from the Nepal earthquakes, provides evidence of how conditions and needs have evolved since the emergency period. A large quantitative dataset provides a clear sense of trends related to aid and recovery, while robust qualitative data allow for a more in-depth understanding of how different households and communities are coping with earthquake impacts and recovering. The data show that the slow pace of reconstruction and recovery efforts is taking a toll on households and communities, especially those still in temporary shelter.

Earthquake survivors endured difficult monsoon and winter seasons, often with inadequate shelter, leading to discomfort and sickness.

The vast majority of those whose houses were badly or completely damaged are still living in self-constructed temporary shelters. Another difficult monsoon season in 2016 was being anticipated at the time of the field research. Despite these challenges, the qualitative research came across communities who banded together to take care of the worst affected amongst them and of households showing great resilience in the face of significant challenges.

The economic strain on households is clear with borrowing increasing rapidly.

Borrowing has risen significantly since IRM-1, both in the number of people borrowing and the size of loans. Informal sources for borrowing predominate, especially in rural areas, but there has been a partial move towards borrowing from formal sources who charge lower rates of interest. Borrowing is particularly high in poorer districts, and there is some evidence that certain vulnerable groups—such as lower caste people—are often having trouble accessing larger loans. Increased borrowing is occurring despite greater volumes of cash reaching the earthquake-affected, largely through government cash grant programs for the affected. The amounts received have been insufficient to meet the expenses of households, or to kick start the languishing rebuilding process. By March 2016, the demand for cash as a priority need had risen

exponentially along with the need for reconstruction materials to help get people back into secure homes.

Livelihoods have rebounded, with most people back at work.

Most businesses, in particular, have made progress in recovery since IRM-1. Farmers, most of the population in affected areas, have gone back to their fields, but have seen slower recovery in severely hit districts than have businesses or daily wage workers. Remittances, migration, and asset sales have been less commonly used coping strategies.

Aid has been critical to households and satisfaction with what has been provided is generally high, but IRM-2 shows that aid is still sorely needed.

Volumes of aid have declined since the early post-earthquake months. The data shows that aid now primarily comes in the form of cash, at low volumes. Some districts, in particular Okhaldhunga, have seen especially large declines in aid despite having high levels of need for recovery assistance. Okhaldhunga was impacted as much as Solukhumbu, but Solukhumbu has received much more aid since IRM-1. Sindhupalchowk, which experienced the greatest physical impacts from the earthquake, has had by far the highest levels of aid – but this has still not been sufficient to meet key needs such as shelter or food. Aid has also been slow to shift from the emergency relief phase to supporting recovery and reconstruction. Emergency types of aid, such as tarps, were still being provided but there were only small amounts of materials for reconstruction being distributed, suggesting an emerging mismatch between what people receive and what they need.

Food aid appears to have been well targeted, reaching most in severely food insecure areas and at larger volumes than elsewhere. Yet food distributed has been insufficient to prevent households from decreasing their food consumption. This is an issue to watch as trends from IRM-1 to IRM-2 show reductions in the coverage of food aid.

While the strain of this slow recovery is starting to emerge in community dynamics and public sentiment, social cohesion on the whole has not significantly worsened to this point – but there are risks for the future.

Psychological impacts from the traumatic experiences of the last year are impacting some families. There are cases of overt discrimination and disputes along ethnic or caste lines, but these appear isolated at present. Coordination and communication challenges underlie much of the negative perceptions of the recovery effort. These perceptions are translating into decreasing satisfaction with the role of political parties since IRM-1, but overall satisfaction with government has not yet shown significant deterioration.

Targeting aid to specific groups can be contentious if not managed carefully and tensions have risen since IRM-1. This in part reflects increasing challenges in targeting aid as overall aid volumes decrease and the equal distribution of aid across affected communities becomes less viable. In addition, the damage assessment process carried out by the government (in multiple stages, with varying and opaque methodologies) has caused disgruntlement. As the cash grants provided increase as reconstruction assistance begins in the coming months, the contentious nature of these assessments has the potential to lead to increased dissatisfaction and diminished community cohesion.

7.2 Implications and recommendations

The data and analysis from the IRM-2 field research has established emerging challenges relevant to ongoing and future assistance for earthquake recovery. The National Reconstruction Authority (NRA) has already begun to respond to some issues raised by the research since starting its work but challenges and risks remain. The paper concludes by providing a set of independent recommendations for aid providers.⁴⁹

① Short and medium term improvements in temporary shelter are needed.

The extremely high proportion of the population still living in temporary shelter in districts that were severely hit by the quakes is of concern. Delays in reconstruction support, and inadequate communication on emerging policies, combined with limited delivery of reconstruction materials, has meant that very little rebuilding has started. The beginning of the formal reconstruction period, which will see the disbursement of larger sums of cash, will help some people begin the task of rebuilding. Yet it is unrealistic to expect that the

⁴⁹ These are independent recommendations rather than those of the UK or Swiss governments.

majority of people currently in temporary shelters or partially damaged houses will be able to rebuild in the near future. Limited labor availability, reconstruction grants being less than the amount needed to build a new house, and the fact that many people whose houses were partially damaged will not receive large-scale government funds all indicate that housing reconstruction will be a long-term process. There is thus a need to develop short-to-medium term strategies to improve the living conditions of people who will likely remain in shelters for the foreseeable future, and also to respond to the negative impacts on mental and physical health and the perceived insecurity that those in inadequate shelter suffer from.

Recommendation 1 – Develop a strategy to provide new, or improve the quality of existing, temporary housing for the medium-term;

Recommendation 2 – Prioritize programs to mitigate the consequences of staying in temporary shelter (targeted health support and medicine, temporary water and sanitation facilities, women’s security).

2 Avoiding debt traps among the earthquake affected will require more accessible opportunities for affordable credit or cash grants.

Borrowing is the most-used coping strategy. However, with livelihoods having not fully recovered, and capital needed for rebuilding, it is likely that many will face difficulties in paying back the loans they take. The high levels of interest rates charged by many of the dominant providers of loans increases this risk. The NRA is developing a plan to provide housing loans and there are already soft loan programs offered by the government. However, access for most earthquake-affected, given their locations in rural areas, and challenges for potential recipients in proving credit worthiness, mean that the current programs are not being widely utilized. There has also been poor communication regarding the available programs. Without clear policy and available credit, the potential for an increased reliance on moneylenders, who charge high interest rates, is real. There is a need to ensure that credit is provided at reasonable interest rates, to provide additional cash to limit borrowing, and to provide protections to ensure that vital assets such as land are not lost if people default. Specific and focused effort will also be needed to make sure that programs are accessible to people of different identities, incomes, and in different locations.

Recommendation 3 – Expand soft loan programs, strengthen communication about them, and ensure they reach those in rural areas;

Recommendation 4 – Consider options for regulation of interest rates used by informal lenders.

3 Aid providers need to adjust strategies for the next phase of earthquake recovery in order to match aid with evolving needs.

It is important to ensure that aid planning takes into account emerging needs and that it evolves along with the recovery process. There is evidence that some aid has been supply-driven with things delivered that are not priority needs for affected people. IRM-2 data showed an overwhelming need among the earthquake-affected for cash, housing, and food. People prefer the former because it is liquid – people can choose to spend money in ways that fit with the distinctive needs they have. Despite the need for robust housing, little assistance has been provided in this area to date. Targeting of food aid has generally been strong, but coverage of food aid is declining and this may cause future problems. Those needing livelihood support are largely in the agriculture sector.

Recommendation 5 – Focus on cash support and housing materials;

Recommendation 6 – Extend food aid to ensure food insecurity does not increase;

Recommendation 7 – Develop strategies to help farmers recover;

Recommendation 8 – Strengthen communication channels for local communities to express their needs to aid providers who are active in their areas.

4 Enhancing communication with affected communities and local officials is critical.

Confusion and uncertainty has been one of the major constraints to recovery. While government and donor inputs are important for the recovery process, it is ultimately the actions taken by individuals, households, and communities that will be most critical to recovery. Ineffective sharing of information on policies, programs, and plans leads to inefficiencies in the way that individuals and communities are playing their part in recovery. Indecision has resulted from uncertainty about

what kinds of houses people can (re)build, and people not knowing when reconstruction support policy from the NRA will arrive. In addition, confusion about roles and responsibilities have led to residents being uncertain about who to approach for what, with local officials often equally confused. This has led to a continued reliance on informal channels for engagement, such as WCF coordinators and local political party representatives, with citizens communicating most effectively with actors that lack information on government policy.

A key means to overcoming frustration with targeting and other challenges in aid distribution is more effective communication. The high levels of dissatisfaction with the damage assessment process, for example, were in part caused by the non-transparent, inconsistent, and confusing manner in which a series of assessments were carried out. Citizens had little or no information on the process and methodology used, nor on the implications of the assessment for the support they might receive. Information efforts need to better prepare local officials to respond to queries from local residents, while also ensuring clear information is spread widely across affected areas. It should be anticipated that the latest NRA-led assessment will lead to changes in the classification for some whose houses were found to be ‘fully damaged’ or ‘partially damaged’ in the second assessment. If this is not managed well, there is potential for significant anger and inefficiency.

Recommendation 9 – Develop a communications strategy to reach all affected communities with information about earthquake recovery programs;

Recommendation 10 – Enhance formal information sharing on reconstruction and recovery policies between levels of government, including to VDC secretaries and WCF coordinators, to ensure accurate information is reaching affected households.

5 Updated coordination strategies are needed for medium-term recovery efforts.

The fieldwork points to continued challenges with coordination. Information did not always flow effectively between the national, district, and VDC levels, and between the government, NGOs, and foreign agencies. The DDRCs, RDCs, and other coordination bodies have become less active in recent months, contributing to a reduction in information flows between actors. Coordination efforts will be

critical to efficient and smooth reconstruction, especially given the overlapping mandates of government agencies and local officials. As aid volumes have decreased, the existing coordination mechanisms have become less active. More sustainable, medium-term platforms for communicating plans, sharing information with all relevant stakeholders, and supporting efforts to address issues with targeting are needed.

Effective coordination will specifically require greater geographic nuancing in aid targeting. IRM-2 data demonstrate vast differences in experiences between districts with similar levels of earthquake impact. Solukhumbu, for example, has been well relatively served by aid while assistance has plummeted in Okhaldhunga. In the latter, there is evidence that some people face food security issues and that needs are great. The data in the report highlight specific issues in different districts, and the qualitative information demonstrates just how differently recovery is experienced even between wards within the same VDCs. Data from IRM can support aid providers in adjusting their responses in ways that make them more effective, but more coordination, discussion, and planning is clearly needed.

Recommendation 11 – Hold focused discussions on evening out aid going to affected districts, including restoring aid flows to Okhaldhunga;

Recommendation 12 – Revisit formal coordination mechanisms to generate sustainable platforms, and ensure clear roles and responsibilities.

6 Improving aid delivery will require thinking through targeting strategies within communities.

During this round of research greater frustration was expressed with perceived inequities in aid distribution than in the early post-earthquake months. During the emergency aid distribution, handing out aid equally across and within communities helped to ensure social cohesion. In the recent round of IRM, complaints were shared about both targeted approaches to aid distribution as well as equal distribution strategies. Often frustrations with either targeting approach were rooted in existing social hierarchies and tensions, or perceived elite control of resources. Given that most new aid will likely be for housing reconstruction, it can be expected that targeted assistance will be more common. As such, it will be critical that locally sensitive targeting strategies are employed

by aid providers to avoid creating resentment between population groups. No matter how careful targeting is, resource distribution is almost always contested. Preparing local officials to engage in mediating emerging disputes and preventing tensions from escalating will ensure that any negative impacts from the inevitable dissatisfaction of some is mitigated.

Recommendation 13 – Context-sensitive targeting (avoiding assumptions about which groups are in need) is needed; this should be based on clearly communicated criteria with local input;

Recommendation 14 – Expand local mediation capacity for any emerging disputes relating to aid.

7 Coherent policy for supporting displaced households should be developed.

There is a need to address the needs of displaced households who have moved within their wards, VDCs, or further away. Displaced households have been finding or building temporary shelters on public and private land, some are migrating to urban centers, and some small communities of displaced persons are emerging. It is unclear how many of those individuals ultimately will be able to return to their places of origin, and it is also uncertain how long any such return might take. Household decisions on returning to their homes are shaped by factors including perceived risks (including landslide risks), service disruptions (schools, transportation access, electricity, water sources, etc.), finances, and disruption to livelihoods. There is a need to generate a clear policy and processes for helping the earthquake-displaced determine a path forward to recovery. These efforts will need at least three distinct processes. First, efforts to restore services and confidence in the safety of the original villages of displaced persons are needed to enable people to move home. This will require geological assessments to gauge landslide risk. Second, policy to support permanent resettlement for those households who will not return to their home villages is needed to ensure displacement does not lead to vulnerability and inadequate shelter. Finally, medium-term plans for displaced households currently living on public land are needed to avoid disputes with local communities and to ensure adequate access to services and shelter.

Recommendation 15 – Complete geological assessments in areas at risk of landslides and communicate results to communities

(including displaced households from that location);

Recommendation 16 – Generate policy for supporting the permanent resettlement of displaced households unable to return to their villages;

Recommendation 17 – Clarify policy for VDC and Municipality actors to mediate and manage use of public or private land for housing displaced households in the near to medium term.

8 There is a need to expand the recovery effort beyond physical reconstruction.

The narrative around recovery remains focused on physical recovery – the rebuilding of houses and public infrastructure that was destroyed and damaged. This has limited the attention paid to a wide range of other issues critical for recovery. Local needs relating to livelihoods, economic recovery, dealing with the psycho-social impacts of the disaster, disability, education, and health care need to be better understood and responded to. Taking a broader view of the impacts of the earthquakes, and resulting needs, would help actors better prepare for long-term recovery. It can also help aid providers understand how different vulnerable groups, like children, women, and the elderly, are experiencing recovery differently and the implications this has for aid programming. Qualitative research found that some NGO programs are providing livelihoods training to support recovery, but psycho-social support, women's security, policy to overcome education gaps for students who have fallen behind, and other 'soft' issues require greater attention.

Recommendation 18 – Engage relevant ministries and government actors to better study and understand the earthquake's impact on education, health care needs, and inclusion;

Recommendation 19 – Increase investment in programs to mitigate the psycho-social impacts of the disaster, especially for children.



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