



**Aid and Recovery in Post-Earthquake Nepal: Eighteen Months On
Early findings from Independent Impacts and Recovery Monitoring Round Three**

December 2016



- As of September 2016, almost one-and-a-half years after the earthquakes, 70% of people in severely hit districts—those most impacted by the quakes—were still living in temporary shelters. Shelter is by far the most prominent need in earthquake-affected areas.
- Most affected people’s livelihoods are now recovering; businesses have almost completely recovered and markets are functioning normally although prices for construction materials and labor have risen.
- There has been a sharp drop in the number of people covered by aid between March and September 2016 with only 15% no receiving assistance. This is not a result of a decline in demand for aid with more people than in previous rounds saying they need aid. The government remains the most prominent aid provider.
- The distribution of reconstruction cash grants through the Rural Housing Reconstruction Program (RHRP) has got off to a shaky start. Protests and complaints are common, access to cash grants is problematic, and awareness of required building codes is low.
- Levels of dissatisfaction with each aid provider have risen. Frustrations are due to several factors: the significant decrease in aid, the slow progress of reconstruction, unaddressed complaints about damage assessments and beneficiary lists, and a lack of effective coordination and communication.
- Borrowing continues to be the main coping mechanism for people to survive and recover and has stayed at similar levels between March and September 2016 with one-in-three taking loans.
- Social relations have remained largely good, people feel safe and there has been almost no violence.
- Discrimination and structural inequality have become more pervasive in shaping recovery, with marginalized and disadvantaged groups recovering slower than others.



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This brief presents preliminary findings from the third round of the [Independent Impacts and Recovery Monitoring \(IRM\) project](#). IRM provides longitudinal findings on the state of aid and recovery in earthquake-affected areas based on representative surveys of 4,850 people in 11 districts and in-depth qualitative fieldwork in six of these.¹ With research conducted roughly every six months, it provides analysis of how conditions are changing and of emerging challenges. Fieldwork for the third round of research was conducted in September 2016. The full IRM-3 reports will be published in early 2017.

Current conditions in the earthquake-affected zone

As of September 2016, almost one-and-a-half years after the earthquakes, 70% of people in severely hit districts—those most impacted by the quakes—were still living in temporary shelters.² There has been some movement of people into their own houses. At the time of IRM-2 in March 2016, 80% of people in severely hit districts were in shelters. Across all districts, almost one-quarter of people who were living in temporary shelters on their own land at the time of IRM-2 were in their own house by September. Far fewer people are living in temporary shelters in less affected districts: 5% in hit with heavy losses districts, 8% in crisis hit districts, and 2% in hit districts. In Sindhupalchowk, the most affected district, 90% of people are still in temporary shelters. People from marginalized groups—those with illiteracy, low income, disabilities, or from minority religions—are more likely to still live in temporary shelters. Many people from across affected districts have moved back into their damaged houses, making only minor repairs, due to inadequate shelters.

Shelter is by far the most prominent need in earthquake-affected areas. Items to reconstruct houses is cited as a major current need by 30% of people. Fifty-nine percent of people say they need cash with most saying that they need the money for repairing or reconstructing their house.

The quality of shelters has improved for many as they have worked to improve their conditions. Sixty-two percent of people in temporary shelters now have CGI roofing compared to 46% in IRM-2.

However, in some districts people are more likely to be in shelters made with poorer quality materials. In Okhaldhunga, for example, 29% of those in shelters are in bamboo shacks, and high numbers of people are in poor quality shelters in Ramechhap and Solukhumbu. People have faced challenges improving the quality of their shelters. In Sindhupalchowk, for example, 48% were not able to repair their shelter at all before the monsoon and 17% made repairs but they were insufficient. Commonly cited complaints about shelters are that they have leaking roofs, they do not provide sufficient warmth, and that people cannot not cook in them. Those who were not able to make their shelter ready for monsoon tend to be of lower caste, lower income, and disabled groups. Many people had to move from their own houses back into temporary shelters as it became apparent their housing was not safe. Eleven percent of those in their own house at time of IRM-2 were in temporary shelters by the time of IRM-3.



¹ Reports from previous rounds of IRM can be found at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>. Qualitative fieldwork is conducted by Democracy Resource Center Nepal (DRCN) and surveys are conducted by Interdisciplinary Analysts (IDA). The Asia Foundation manages the project with financial support from the governments of the United Kingdom and Switzerland.

² Severely hit districts are those classified by the government and donors as having been the most affected by the earthquakes. Crisis hit, hit with heavy losses, and hit districts were impacted in descending order of magnitude.

Of those whose houses were impacted by the earthquake, most have done nothing or little to repair or rebuild.

In severely hit districts, 77% say they have done nothing to rebuild with only 2% having fully repaired or rebuilt their houses. The main reasons given for the lack of progress is a lack of money (89% of those who have not started rebuilding). Two-thirds say they are waiting for the distribution of government cash grants. Six percent say a lack of labor was a problem with 34% in Nuwakot stating that this had prevented them rebuilding. People also report increases in the price of construction materials and labor, with 15% saying higher prices for materials have prevented them rebuilding.

Trauma is widespread and sickness has been an issue for many. Nineteen percent say someone in their family still suffers from psychological effects from the earthquake. Of these people, almost half say they, or a family member, experience extreme fear, 38% say they startle when they are sleeping, and another 11% say they have trouble sleeping because of the earthquakes. Forty-one percent of people in severely hit districts say they are afraid that there will be landslides in their community. Twelve percent of people say they got sick during the monsoon because of problems with their shelter. The figure is 23% in severely hit districts and sickness has been more common in areas where people report that the quality of medical facilities has declined. Most common illnesses were fevers (61% of those who were sick in severely hit districts) and recurrent colds (34%). Nine percent of those who reported sickness in severely hit districts said they have experienced diarrhea, dysentery, or cholera.

Recovery of people's livelihoods has become far more widespread in the three months before September 2016.

For every source of income, a much larger proportion of people say they have seen recent improvements in their livelihoods compared to IRM-2. For example, 85% of farmers whose income was negatively impacted by the earthquakes reported improvements in the three months before September 2016 compared to 47% in IRM-2. Eighty-two percent of those who own their own business reported recent improvements compared to 63% in IRM-2. Those in severely hit districts are as likely as others to see recovery of their income in recent months. Farmers interviewed in IRM-3 were far more likely than others to report that income recovery was a recent development with recovery not having started at the time of IRM-2.

Farmers' livelihoods have started to recover almost everywhere but they are still struggling compared to other groups.

The earthquakes seem to have exacerbated difficulties commonly faced by farmers in rural Nepal rather than introducing new challenges. Farmers are often poor, meaning they are less likely than most to have funds available to replace lost livelihoods inputs or to compensate for losses. Farmers who lost family members, or whose land was damaged, have found recovery particularly challenging. Those displaced from their land have experienced difficulties due to long distances between their new settlements and their fields.



In contrast, businesses have generally fully recovered as markets are functioning. Many small business owners reported difficulties in the early months after the earthquakes due to damages and losses of goods; but, by and large, they report their businesses are now back to normal. In some areas frequented by aid organizations, such as Gorkha and Sindhupalchowk, hotels and restaurants were doing better than before the earthquake. Tourism is expected to return to near-normal levels during the fall tourist season for the first time since the earthquake. Both skilled and unskilled laborers are doing well given higher demand and higher wages with the start of reconstruction.

There has not been a rise in food insecurity. Food aid is now only provided to 2% of people compared to 28% in IRM-2. Yet despite the drop in the provision of food more people say their food consumption has increased since the end of the winter (21%) than say it has decreased (4%). However, decreases in food consumption are greater in Sindhupalchowk (18%), Ramechhap (8%), Lamjung (8%), and Okhaldhunga (7%). Ten percent of people state that rice, wheat, or maize is a priority current need.

Aid delivery and effectiveness

There has been a sharp drop in the coverage of aid between March and September 2016. The proportion of people who have received aid has declined from 54% in IRM-2 to just 15% in IRM-3. In severely hit districts, aid coverage has declined from 98% to 26%. In Bhaktapur and Lamjung, aid has stopped completely. This is not a result of lower demand for aid. Fewer people now say that they no longer need aid than before: from 42% saying they did not need aid just after the earthquake (IRM-1) to 38% one year on (IRM-2) to 30% in IRM-3.

The government remains the most prominent aid provider. The government has covered 60% of those who received aid compared to 16% by NGOs and 22% by INGOs. Government aid in the six months before September 2016 has focused almost entirely on the provision of, or preparations for, reconstruction grants (see below) with some very limited livelihoods support. Non-governmental aid is largely focused on ‘soft’ forms of assistance such as trainings and awareness raising about earthquake safety and safe construction techniques rather than ‘hard’ assistance in the form of direct material aid. In some areas, I/NGOs have also helped to repair infrastructure such as schools or water sources.

Cash is now the predominant form of aid but the number of people receiving it in recent months has also declined substantially. Eight percent of people have received cash from the government, and 2% from non-governmental providers, since the end of the winter season. In IRM-2, 48% had received cash from the government and 10% from non-governmental agencies. Many people in the most affected districts received cash in their bank accounts as part of the government’s reconstruction program but have not yet accessed it for a range of reasons (see below).



The distribution of reconstruction cash grants through the Rural Housing Reconstruction Program (RHRP) – the flagship government and donor reconstruction program – has got off to a shaky start.³ First, perceived poor targeting has led to complaints. Twenty-eight percent of those not eligible for cash grants believed they should have been eligible. The proportion is very high in severely hit districts (83%). In many districts, protests have disrupted the signing of cash grant agreements, in particular where there have been drops in the number of people declared eligible for government support based on the new damage assessment. Second, many of those declared eligible have been unable to access their grant. People lacking key

documents and living in remote areas have struggled to access cash grants. Spelling mistakes in documents have caused problems. Third, complaints mechanisms are not working well. The majority of complaints submitted remain unresolved and there is no clarity on how and when they will be addressed. Fourth, the future success of

³ For fuller analysis, see The Asia Foundation and Democracy Resource Center Nepal (2016). *Nepal Government Distribution of Earthquake Reconstruction Grants for Private Houses*. Bangkok and Kathmandu: The Asia Foundation, available at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>

the program depends on the use of specific techniques to build earthquake-safer houses. Yet, awareness of building codes and the requirements for receiving each subsequent tranche of the cash grant is low.

People believe the reconstruction grant will not be enough for them to rebuild. Only 2% of people say the initially planned NPR 200,000 grant will cover the full cost of (re)building with 72% saying it will cover less than 25% of the cost of building a house. Of those who have received funds, one-quarter say they have used (at least part of) the grant for repairing their current house. Only 44% say they plan to build a house using the models mandated by the National Reconstruction Agency (NRA).

Coordination between different government bodies, and between the government and I/NGOs, continues to be problematic. Delays in the establishment of sub-regional NRA offices, unclear and changing policies, as well as a lack of clear division of responsibilities have hampered coordination. The formal exclusion of political parties and the formation of new bodies such as the District Coordination Committees (DCCs) has not improved coordination at the district level and has introduced new challenges. I/NGOs are sometimes bypassing local government offices. Often this is because of the difficult and lengthy bureaucratic procedures for non-government groups to get official approval for their projects. Only 20% of people in severely hit districts say that communication related to aid is good with the central government and just 7% say the same about communication with INGOs.

Levels of satisfaction with every provider of aid has declined. Satisfaction with the central government has declined from 51% in IRM-2 to 40%. Satisfaction with INGOs has plunged from 73% to 39% and satisfaction with NGOs from 70% to 41%. Only 21% are satisfied with the aid response of political parties, down from 26%. Fifty-seven percent in severely hit districts believe that VDCs or municipalities are distributing aid fairly compared to 73% in IRM-2.

Frustrations are due to several factors: the significant decrease in aid, the slow progress of reconstruction, unaddressed complaints about damage assessments, a lack of effective coordination and communication. Uncertainties over reconstruction due to unclear policies and communication problems are common across districts. Many earthquake-affected people do not know whether and when they can expect reconstruction assistance and knowledge of the requirements to receive the second and third tranches of the reconstruction cash grant is low. In districts where the cash grant distribution process has not yet begun, uncertainty and dissatisfaction are particularly high. In districts where it has begun, coordination related to the reconstruction grant program does not include key local stakeholders such as political parties and Ward Citizens Forum members. Further, the reduction in the numbers of eligible beneficiaries, as well as unclear and slow complaints procedures, have led to rising dissatisfaction. Complaints about damage assessments and beneficiary lists are common but remain largely unaddressed. In some places, discontent over the slow pace of recovery has already led to threats against government officials and others involved in the damage assessment cash grant distribution processes, although rarely violence. Suspicion of and dissatisfaction with non-governmental aid providers is also rising.

Coping strategies

Borrowing continues to be the main coping mechanism for people to survive and recover. One in three people have taken loans in the six months before September 2016, the same level as in IRM-2 and an increase from the 14% who borrowed in IRM-1. The number of people who say they plan to take loans in the next three months has increased from 28% in IRM-2 to 35%.

Most borrowers are taking loans for livelihoods assistance. Fifty-eight percent of those borrowing did so to support their livelihoods, with fewer taking loans for food (26%), to rebuild their houses (14%) or to construct or improve temporary shelters (17%). Many say, however, that they may soon need to take loans for rebuilding if they do not receive the cash grant or soft loans.

Lending sources have changed over the between March and September 2016. Only 13% of borrowers now take loans from their relatives, the most common source of credit in IRM-2 (24%). There has been a large increase in the number of borrowers taking loans from cooperatives: from 15% in IRM-2 to 23% in IRM-3. The proportion of

borrowers turning to moneylenders has increased slightly from 10% to 12% while the proportion borrowing from banks remains the same at 13%. The average amounts borrowed from both moneylenders and banks has plunged: from NPR 763,730 to NPR 107,966 from moneylenders and NPR 887,654 to NPR 488,050 from banks. Average amounts borrowed from most other informal credit providers have increased sharply. Banks generally require collateral for loans as do other financial institutions, cooperatives, and saving groups. Borrowing from moneylenders is easier, with only a few requiring collateral, but the interest rates they charge are higher (2.35% per month).

Other coping strategies are less common. Only 3% of people have sold assets in the six months before September 2016, with 58% of those selling livestock, 20% selling land and 19% selling household goods. Two-thirds of those selling land have sold less than 25% of their land holdings. There appears to have been a slight decline in remittances. The number of people receiving them is down from 21% in IRM-2 to 19% in IRM-3; 7% say remittances are less than before while 3% say they have increased in volume. Three-quarters of those who receive remittances also did before the earthquakes. Migration is not common with 3% saying someone in their households migrated for at least three months after the earthquakes.

Social relations and politics

Social relations have remained largely good and people feel safe. There have been very few incidences of crimes or open conflict. Thirty-four out of 36 wards in the qualitative study report unchanged social relations, a similar finding to both IRM-1 and IRM-2. Where social networks and relations are strong, people can recover quickly through sharing of labor in repair and rebuilding of houses and provision of credit from neighbors. Overall, the proportion of people feeling very safe in their community has slightly grown. Only 3% say they feel somewhat unsafe (the same as IRM-2). There have been very few incidents of violence (only 1% say there has been violence in their community since the earthquakes). Twenty-two percent of survey respondents say crime has declined since the earthquake while one percent say it has risen slightly. Some isolated tensions can be observed between local and displaced communities but these have not led to violence. Generally high levels of frustration and discontent, so far directed at the government, may lead to rising tensions if assistance is delayed further and the progress of reconstruction remains slow.



Discrimination, social exclusion, and structural inequality have become more pervasive in the light of the slower recovery of disadvantaged groups. Across districts, disadvantaged groups face more obstacles accessing cash grants, credit, information on assistance schemes, as well as opposition from other groups. This affects Dalits most strongly but also *Janajatis*, the economically disadvantaged, those in very remote areas, and the displaced. Resentment is often directed at marginalized or displaced groups and expressed in language referring to caste or ethnicity.

Political party preferences and roles have remained largely unchanged. People in earthquake-affected districts do not seem to be changing support for political parties. While the formal role of political parties in reconstruction decreased after the formation of the NRA, people continue to look to local leaders for information, assistance and to facilitate communication between the village and district levels. For example, local leaders play crucial roles in both, helping people air grievances over damage assessments and beneficiary lists through protests as well as resolving these very protests, sharing information on the cash grant agreement process, and assisting people with filing official complaints. The continued importance of political leaders at the local level is due to the fact that the roles and importance of political parties in local governance have remained largely unchanged and that there are no significant challenges to existing leadership. However, dissatisfaction with political parties in general has increased – likely a reflection of widespread frustrations over the slow pace of reconstruction.

A note on IRM methodology

The survey data is the result of a careful and methodological sampling design. The results are representative of the full population of the 11 surveyed districts, which are:

- Severely hit: Ramechhap, Gorkha, Sindhupalchowk, Nuwakot, Dhading
- Crisis hit: Okhaldhunga, Bhaktapur, Kathmandu
- Hit with heavy losses: Solukhumbu, Lamjung
- Hit: Syangja

At least 350 people were interviewed per district. This allows for a margin of error of +/- 5.2% for district-aggregated analyses. Across the whole sample, the error margin is +/- 1.4% at a 95% confidence interval.

In-depth qualitative research was conducted in 36 wards of Ramechhap, Gorkha, Sindhupalchowk, Okhaldhunga, Solukhumbu and Syangja districts (researchers spent several days in each of the six wards visited per district).⁴

⁴ Detailed information on sampling and methodology are included in the IRM reports, which can be found at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>