



# Independent Impacts and Recovery Monitoring Phase 4: April 2017

Synthesis Report



The Asia Foundation



Schweizerische Eidgenossenschaft  
Confédération suisse  
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Federal Department of Foreign Affairs FDFA  
Swiss Agency for Development and Cooperation SDC  
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The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Informed by six decades of experience and deep local expertise, our work across the region addresses five overarching goals—strengthen governance, empower women, expand economic opportunity, increase environmental resilience, and promote regional cooperation. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, DC.

Independent Impacts and Recovery Monitoring Phase 4

## Synthesis Report

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The views expressed in this report do not necessarily reflect the UK or the Swiss government's official policies.

Cover photo: Chiran Manandhar  
Design: Deddeaw Laosinchai



# PREFACE

**I**n 2015, two powerful earthquakes hit Nepal, killing almost 9,000 people and displacing hundreds of thousands more. Since then, The Asia Foundation has been tracking how those affected by the earthquakes have recovered. Four rounds of research, conducted at roughly six-month intervals, have provided snap shots of conditions on the ground, including the challenges people face, the aid they are receiving and the extent to which they are coping.

This report presents findings from the fourth round of research, which involved qualitative fieldwork and a quantitative household survey in April 2017. Because the same wards are visited in each round, with the same people interviewed, the report gives an accurate picture of how things have changed as time has passed.

The findings show there has been some progress in supporting recovery. The incomes of most of those affected by the earthquake have continued to recovery and local markets are operating almost as normal. Drops in food consumption, identified in earlier rounds of research, are now less pronounced than before. The disbursement of the first tranche of the government's housing grant has led some to start rebuilding.

Yet the reports also show the scale of the challenges that remain. Two years on from the earthquakes, the

majority of those whose houses suffered major damage or complete destruction remain in temporary shelters. Rising construction costs have prevented many from beginning to rebuild and people are increasingly borrowing from informal lenders who charge high interest rates. It is likely that many people will get stuck in a debt trap, unable to repay the loans they have taken. Most public infrastructure has not been rebuilt.

The reports also show a worrying divergence in the experience of different groups; this requires urgent policy attention. There are growing disparities in levels of recovery among different socio-economic groups, with many of the marginalized being left behind. Those who had low incomes before the earthquakes, e.g. Dalits, the disabled and widows, score lower than others on most recovery indicators. Indeed, the earthquakes appear to have exacerbated preexisting inequalities. More needs to be done to help these vulnerable groups.

We thank our research partners (Democracy Resource Center Nepal and Interdisciplinary Analysts), our donor partners (UK Department for International Development and the Swiss Development Cooperation), and Nepali government officials in the National Reconstruction Authority and the Ministry of Federal Affairs and Local Development for their support.



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The qualitative fieldwork and analysis was conducted by Democracy Resource Center Nepal (DRCN). The DRCN team was led by Sudip Pokharel. The research was coordinated by Apurba Khatiwada of DRCN. Analysis of the data was done by Amanda Manandhar Gurung, Apurba Khatiwada, Charlotte Ramble and Lena Michaels, who co-authored the report with James Sharrock. Special thanks goes to the team of researchers for their dedication in the field: the senior researchers Chiran Manandhar, Ishwari Bhattarai, Nayan Pokhrel, Shekhar Parajulee and Subhash Lamichhane; and the researchers Alok Pokharel, Punam Limbu and Tanka Gurung.

The quantitative survey was implemented by a team from Interdisciplinary Analysts (IDA) led by Sudhindra Sharma. While Sudhindra provided overall guidance, Hiranya Baral coordinated the survey fieldwork, Bal Krishna Khadka provided essential support in thinking through the implications of the

technical aspects of the survey methodology, Chandra KC worked on getting the dataset in a form ready for analysis and generated a large set of initial tables, and Sandeep Thapa designed the software for data entry. Kurt Burja of the World Food Programme provided NeKSAP data. Analysis of the data was done by Anup Phayal, Jui Shrestha and Patrick Barron, who co-authored the report.

George Varughese provided useful inputs at various stages. Deddeaw Laosinchai designed the report.

The project is funded by UK aid through the UK government and the Swiss Development Cooperation, with support from the UK Department for International Development's Programme Partnership Arrangement with The Asia Foundation. Craig Irwin (UK DFID) and Stefan Fuerst (SDC) have managed the project from the donor side, and have given useful inputs at every stage. The views here do not necessarily reflect the UK or the Swiss government's official policies.

The IRM research is directed by Patrick Barron with assistance from Sasiwan Chingchit. Lena Michaels coordinates the project in Nepal with support from The Asia Foundation-Nepal.

# Executive Summary

This synthesis report combines and summarizes findings from the fourth 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, the second in February-March 2016 and the third in September 2016. Fielding of the fourth round was carried out in eleven affected districts for the quantitative survey and in four districts for the qualitative component in April 2017. 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

**Housing and shelter.** Data from the four rounds of IRM research show that progress of people moving from temporary shelters to homes has been slow. Seventy-four percent of people in earthquake-affected areas now live in their own homes compared to 60% in the immediate aftermath of the earthquakes. However, 62% of those in severely impacted districts and 44% of those whose house was completely damaged still live in temporary shelters. The marginalized—low caste, low income groups, widows and the disabled—and those who live in more remote areas are more likely to remain in shelters and have found it much harder to move home. Lacking support from the government, and sometimes unwelcome in their temporary settlements, many formerly displaced have taken risks moving back to unsafe land or bought new land by taking large loans.

Most shelters are now made of CGI and people feel they are inadequate for longer-term living. Those in less remote areas are more likely to have better

quality shelters than those living in more remote place. Although most people say they were able to make their shelters ready for the last winter, those who were unable to fix their shelters, who tend to be marginalized groups, were more likely to have someone in their household fall ill.

Fifty-six percent of people whose house sustained complete or major damage have not yet started rebuilding. People in high impact districts, of low caste or low income and widows are less likely than other groups to do so. Lack of money (93%) and waiting for government's Rural Housing Reconstructing Program (RHRP) cash grant (43%) remain the most common reason for not rebuilding. People in high impact districts, who live in more remote areas, people of low caste and widows were more likely to say that they were still waiting for the government cash grant before they started to rebuild. Costs for reconstruction continue to rise with high transportation costs in remote areas and a shortage of trained construction labor. Faster rebuilding rates were observed in wards with greater outside assistance and internal community support systems like *parma*.

**Infrastructure and service delivery.** Access to public services has improved since the immediate aftermath of the disaster. However, since then, there have not been significant changes in the proportion of people reporting they have access to most services. The one exception is access to drinking water which saw a decline by 9 percentage points between IRM-3 and IRM-4. Highest levels of dissatisfaction are with drinking water and roads. Lack of resources and poor coordination due to a lack of clarity on the decision-making powers of district offices and their relationship to the National Reconstruction Authority (NRA) have hampered infrastructure reconstruction.

**Livelihoods.** Most people continue to see improvements in their income sources but the proportion seeing improvements in the past three months has declined for most sources compared to IRM-3. Daily wage workers, business owners and remittance receiv-

ers are the most likely to see improvements. People in more affected districts are more likely to have seen their income decline since the earthquakes. Over half of the population in Sindhupalchowk and Gorkha report that their current income is lower than before the earthquakes. People who live in more remote areas, who sustained more housing damage or who still live in temporary shelters are more likely than others to have lower incomes now than before the earthquakes. People with a higher income before the earthquake are more likely to have seen income recovery. There has been a decline in the number of people who generate income through farming and an increase in the number generating income through their own business, daily wage work or remittances.

**Food.** There has been a steady drop in food demand since IRM-1 and far fewer stated that they need food aid in IRM-4 than in the previous round. However, food remains an acute need in some areas and for certain groups of people: those in severely impacted districts, more remote areas and of low caste and low pre-earthquake income. Food consumption appears to be improving. Only 6 percent report a decrease and they are likely to be people in severely hit districts, of low caste or low income and women.

**Trauma.** The number of people reporting that a family member is suffering psychological effects from the earthquakes has decreased in all areas, dropping from 23% in IRM-3 to 15% in IRM-4. Those with a low income are facing more difficulty in recovering from psychological impacts.

## Aid delivery

**Aid coverage.** Aid coverage increased between IRM-3 and IRM-4 after a sharp drop in aid between IRM-2 and IRM-3. This was largely due to the distribution of the first installment of the housing grant. More remote areas received more aid since IRM-2 onwards but many remote villages also missed out. People belonging to higher castes continue to be less likely to have received aid compared to Janajatis and lower castes. As income rises, the likelihood of having received aid decreases sharply in all four survey rounds.

The number of people saying relief is or will be needed in the near future has increased especially in crisis hit districts. The government continued to be the top aid provider since the earthquake. Among those who received aid since the 2016 monsoon, cash was the most cited aid item received. The share of people receiving cash from the government increased only slightly suggesting that the housing grant was generally targeted at those who previously received cash from the government. Since the earthquakes struck, people on average have received cash grants of NPR

56,845 from the government and NPR 13,082 from non-governmental sources.

### **People's needs in earthquake-affected areas.**

Cash and items to reconstruct people's houses were most frequently stated as current priority needs by survey respondents. The share mentioning cash as either a current or future need has continued to grow. Those in remote areas, in temporary shelters and with lower incomes were more likely to say they need cash. Those interviewed for the qualitative research also mentioned the need for better information on aid in general and the housing grant process, in particular, as well as on resettlement plans and the outcomes of geological land assessments.

### **Satisfaction with aid distribution and communication.**

Levels of satisfaction with aid providers remained lower compared to the early months after the earthquakes with few changes between September 2016 (IRM-3) and April 2017 (IRM-4). Satisfaction with the central government increased slightly but remains below levels seen in the first year after the earthquakes. Levels of satisfaction with INGOs and NGOs stayed the same between IRM-3 and IRM-4. In the qualitative research, rising levels of satisfaction with I/NGOs were observed in IRM-4 compared to the previous research round. The percentage of people saying they believe that all can get aid according to their needs remained at a similar level (55%). Those who disagreed thought that low castes, Janajatis and the disabled were getting less aid. Neighbors, the radio and VDC secretaries remained the primary sources of information on aid. In both IRM-3 and IRM-4, most thought that ease of communication with various aid providers was bad or at best okay. The central government, INGOs, and foreign governments were among the most likely to be rated poorly.

### **The damage assessment and housing grants.**

Satisfaction with the most recent damage assessment by the Central Bureau of Statistics was higher in severely hit districts and among those whose house had been listed as fully damaged. Nearly all of those who were declared eligible for the RHRP grant had received the first installment by April 2017. The majority of beneficiaries found it easy or at least somewhat easy to access their first installment of the housing grant. Common reasons for difficulties in accessing banks were delays in processing documentation at the VDC office, missing documentation, and long travel distances/remoteness. Those wrongly excluded from beneficiary lists generally had not yet received their first installment even if they had filed a grievance form.

The majority of those declared eligible for the housing grant knew of the increase in the size of the grant from NPR 200,000 to NPR 300,000. However, around half of those who received the first installment of



the housing grant said they were unaware of the requirements they had to fulfill to receive the second tranche. Earthquake affected people interviewed in the qualitative research said they needed better and more timely information on the housing cash grant process, especially on grievances, building requirements and access to soft loans.

The distribution of the first installment of the housing grant was a key factor in increasing reconstruction efforts in late 2016 and early 2017. But this positive impact was offset by the slow distribution of and uncertainty about who would qualify for further installments. A majority of people who said they had received the first tranche of the housing grant said they had done nothing to start rebuilding, most likely because of a lack of cash and high building costs. Across all districts, just 37% of people said they are using/will use the grant for the intended purpose of building a new house using an accepted model, a drop from 44% in IRM-3. Most of those who got the first tranche were somewhat confident that they would be able to receive the second installment of the housing grant but uncertainty about the second installment was increasing.

Grievance management committees were formed but inactive in most of the VDCs visited in the qualitative research. Large numbers of complaints were being passed back to the districts for further verification or reassessment. In Gorkha and Sindhupalchowk some complaints forms were lost. Despite improvements in access to technical assistance since IRM-3, gaps remained: several DUDBC engineer positions were still vacant and people in remote wards struggled more to receive technical advice. Deployed engineers faced a variety of logistical challenges, which negatively affected their work. Dissatisfaction with the quality of the assistance provided, or the advice given, was common. Satisfaction with engineers was higher in VDCs where engineers were more accessible. Compliance with approved building designs and awareness of the retrofitting grant and retrofitting options was low. A lack of clarity on the respective responsibilities of different government bodies, coordinating mechanisms and local NRA offices continued to hinder effective coordination between them and reduce efficiency and dissatisfaction with the roles of and coordination with the NRA persisted at the local level.

## Coping strategies

**Borrowing.** The number of people borrowing continues to rise. Increases have been more sharp in more affected and more remote areas. The average amount people borrowed has increased over time. Between IRM-3 and IRM-4, borrowers on average took loans of NPR 363,193, a threefold increase since

IRM-1. Overall debt has also increased for 47% of the people who took loans since the last monsoon. Increases in debt are more common for people who sustained more earthquake impact or who live in remote areas.

As in previous surveys, those who had a low income before the earthquake and individuals of low caste are more likely to borrow than others. Borrowing in IRM-4 has also increased among people with disabilities. People who sustained greater damage to their house and those who live in temporary shelters on other's land are also more likely to borrow.

Informal sources of credit are more common for people living in more remote areas. Taking loans from informal sources tend to be due to the lack of accessible formal sources. Average monthly interest rates have remained largely steady since the earthquake. While supporting livelihood remains the most common reason for borrowing, borrowing for reconstruction has become more important in the past eight months and correlates with levels of earthquake impact. The share of people who plan to borrow in the next three months continues to rise with people in more remote, with more earthquake impact on housing, low income, low caste and with a disability more likely to plan to borrow. The same group, with exception of disabled, are also more likely to become frequent borrowers.

**Sale of assets.** While only 4% of people said they sold assets in IRM-2, and 3% in IRM-3, 6% now report having sold assets in the last eight months. Sales of assets are most frequent in more affected districts and remain highest in the severely hit districts.

**Remittances and migration.** More people have identified remittances as main source of income, especially among those living in remote areas and those with high pre-earthquake income. Fifteen percent of people in affected areas say remittances were one of their main income sources in IRM-4, compared to 9% in IRM-1. Migration levels remain more or less the same and most who plan to migrate tend to be from high impact districts. As construction costs are very high, some have moved to work abroad in order to help their family pay for rebuilding or to repay loans.

## Politics, social cohesion and conflict

**Roles of political parties in the provision of aid.** The limited room for formal engagement of political parties in the recovery and reconstruction processes at the local level continues in IRM-4. Political parties had not carried out any earthquake-related activities since IRM-3 in any of the wards, VDCs or districts visited during the qualitative research. The informal roles of

political parties reported in IRM-3, which included providing logistical assistance in the reconstruction cash grant agreement process, information dissemination, leading protests on behalf of community members and settling disputes between community members and local officials were not observed during IRM-4. The presence of local political parties and their activities have increased but this is primarily due to the restructuring of local government units and the announcement of local elections. People continue to remain disappointed with political parties regarding their post-earthquake role. More people were dissatisfied with how local political parties had informed them about aid than were satisfied and people commonly thought that VDCs and municipalities were not distributing aid fairly. People who perceived that aid was distributed fairly by VDC/municipality appear to be more likely to be satisfied with political parties.

#### ***Local elections and local body restructuring.***

People did not think that the creation of new local units in place of existing municipalities and VDCs would have a significant impact on the recovery and reconstruction process. Preparations for the local elections, however, had an impact on the reconstruction process. The main impact was the temporary suspension of the distribution of reconstruction cash grants, NRA's grievance management and NGOs' and INGOs' work. The local elections were also expected to impact the availability of masons as some were employed as police. With local elections approaching, visits by elected officials in the earthquake areas increased. Those whose house sustained major damage or complete destruction were more likely to prefer candidates who would focus on recovery and reconstruction. A small proportion of respondents thought that elections would not be free and fair. Booth capture and proxy voting were their primary concerns. Beliefs that the local election results would have a positive impact on reconstruction were mixed. The majority either said it would stay the same or get better. People in less remote areas were more likely to believe there would be no change in reconstruction work.

***Security, crime and social cohesion.*** As in the previous rounds of research, most people reported that they felt safe and reports of violent incidents were few and there have been very few reports of violent incidents since the earthquakes. Social relations in most affected areas remain good but trust is preserved for people they know. As in previous surveys, there are not substantive differences in perceptions of safety between men and women. Most people believed that people in the community would be willing to cooperate in case of an emergency.

## **Focus areas and recommendations**

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

### **1) Reconstruction cash grants and household reconstruction**

- The government should communicate with earthquake-affected households, local government offices and citizens about timelines, procedures, requirements, and technical standards during the rebuilding process, especially on eligibility for the second and third installments of the reconstruction cash grants.
- A range of technical assistance support that goes beyond masonry training needs to be provided to households to help them build back safer and become compliant with the requirements for the second and third installments.
- Consider steps to further subsidize common construction materials and labor, especially for vulnerable and remote households. Measures to reduce the transportation costs of common construction materials should also be explored.
- Develop and communicate flexible plans for households who may miss the deadline. The deadline for completing all household reconstruction by mid-2018 has the potential to create additional confusion and also impact building back better negatively.
- Find ways to continue reconstruction activities during the application of the Election Code of Conduct period in upcoming provincial and national elections planned for November and December 2017.

### **2) Access to cash and credit**

- Ensure better awareness of and access to the two government low interest loan schemes for earthquake victims.

### **3) Need beyond reconstruction**

- Continue to increase livelihoods support rather than focusing assistance solely on housing grants. Support for poor and struggling farmers is particularly necessary in the form of farm inputs, training and improving irrigation facilities.
- Increase attention on the reconstruction of physical infrastructure including damaged water sources, government offices, schools and health posts.

### **4) Resettlement of displaced households**

- Communicate the results of geological surveys to affected displaced communities, other locals and local government officials.

- Implement resettlement solutions in consultation with permanently displaced communities. Such plans need to be developed with the involvement of local communities to avoid conflict and with local authorities.

#### **5) Support to vulnerable groups**

- Vulnerable groups will likely take the longest to rebuild and will need extra support to rebuild their homes that goes beyond existing measures. Discussions should start on the modalities of extra support to the most vulnerable.

#### **6) Coordination and local government**

- Improve communication between government offices by strengthening coordination mechanisms, and information flow between the NRA and government line ministries in Kathmandu, districts headquarters and rural municipalities (Gaupalika).
- Improve training on NRA policies and procedures for local government officers at the Gaupalika and district levels.

# LIST OF ACRONYMS

CBS	Central Bureau of Statistics
CDO	Chief District Officer
CGI	Corrugated Galvanized Iron
CL-PIU	Central Level Project Implementation Unit
CPN-UML	Communist Party of Nepal (Unified Marxist Leninist)
CS	Can't say
DAO	District Administration Office
DCC	District Coordination Committee
DDC	District Development Committee
DFID	UK Department for International Development
DK	Don't know
DL-PIU	District Level Project Implementation Unit
DRCN	Democracy Resource Center Nepal
DUDBC	Department of Urban Development and Building Construction
HRRP	Housing Recovery and Reconstruction Platform
IDA	Interdisciplinary Analysts
INGO	International non-governmental organization
IRM	Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal Project
IRM – 1	First round of the IRM study (June 2015)
IRM – 2	Second round of the IRM study (February – March 2016)
IRM – 3	Third round of the IRM study (September 2016)
IRM – 4	Fourth round of the IRM study (April 2017)
LBRC	Local Body Restructuring Commission
NeKSAP	Nepal Food Security Monitoring Program
MoFALD	Ministry of Federal Affairs and Local Development
MoUD	Ministry of Urban Development
NGO	Non-governmental organization
NPR	Nepali Rupees
NRA	National Reconstruction Authority
PDNA	Post-Disaster Needs Assessment
PDRF	Post-Disaster Recovery Framework
RCC	Reinforced Cement and Concrete



RHRP	Rural Housing Reconstruction Program
SDC	Swiss Agency for Development and Cooperation
SLC	School Leaving Certificate
UK	United Kingdom
UN	United Nations
VDC	Village Development Committees
WCF	Ward Citizen Forum

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# Chapter 1

## Introduction



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### 1.1 Background

This report assesses conditions on the ground in earthquake-affected areas of Nepal in April 2017. Combining quantitative and qualitative information, it explores the extent to which recovery is taking place two years on from the earthquakes.

The Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM) project tracks evolving conditions and needs in areas of Nepal that were affected by the massive earthquakes of April and May 2015. Using both quantitative surveying and in-depth qualitative fieldwork, IRM involves revisiting areas and people at roughly six month intervals to assess current conditions and how they are changing. Because data collection and research is conducted in the same areas in each round, with many of the same people interviewed, IRM allows for an assessment of how conditions and needs are changing over time and of the roles that aid is playing—positive and negative—in shaping recovery patterns.

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).

This report provides findings from the fourth phase of research (referred to as IRM-4). It combines findings from the quantitative and qualitative research.<sup>1</sup> The report provides data and analysis on the situation in April 2017, two years after the initial earthquakes, comparing the data with that collected in the three past rounds: IRM-1 conducted in June 2015, IRM-2 in February-March 2016 and IRM-3 in September 2016.<sup>2</sup>

<sup>1</sup> Reports, published in parallel, outline in greater depth findings and analysis from the qualitative and survey research. The Asia Foundation and Democracy Resource Center Nepal (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 4 – Qualitative Field Monitoring (April 2017)*. Kathmandu and Bangkok: The Asia Foundation; The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and*

*Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 4 – Quantitative Survey (April 2017)*. Kathmandu and Bangkok: The Asia Foundation.

<sup>2</sup> Reports from previous rounds can be accessed at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>.

## 1.2 Methodology

The IRM-4 survey involved face-to-face interviews with 4,854 respondents. These were conducted in 11 districts, all of which were covered in the IRM-1, IRM-2 and IRM-3 surveys (Map 1.1).<sup>3</sup> IRM is set up as a panel survey meaning that, where possible, the same people are interviewed in each round. Respondents in IRM-1 were selected using stratified randomized sampling. Subsequent rounds of surveying sought to re-interview the same people to allow for an assessment of changes over time. Because the survey respondents are the same people, we can be confident that any changes we find in survey answers relate to changes on the ground rather than to the make-up of the sample.<sup>4</sup> The IRM-4 survey was deliberately designed to mirror the IRM-1, IRM-2 and IRM-3 instruments, with many of the questions remaining the same. This allows for direct assessment to be made of changes over time.

Data collection took place in districts that were stratified using the categories of earthquake impact from the Government's Post-Disaster Needs Assessment (PDNA): 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 the hit district.

The qualitative research involved teams conducting interviews, focus group discussions, and participant observation in four districts spread across different earthquake impact categories: Sindhupalchowk and Gorkha (severely hit); Okhaldhunga (crisis hit), and Solukhumbu (hit with heavy losses). Research teams visited 24 wards in 12 Village Development Committees (VDCs)/municipalities. Research took three-four days per VDC and was supplemented by interviews in district capitals. Sampling of locations was initially 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. As with the quantitative survey, the same wards were visited in each round of 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-4 fieldwork was conducted in April 2017. During this period, the distribution of the first installment of the reconstruction cash grant was largely complete in the 14 most affected districts including Gorkha, Sindhupalchowk and Okhaldhunga (see Annex A) but not in the 17 less-affected districts, including Solukhumbu. The NRA formulated several policies during early to mid-2017 to address policy gaps and the diversity of housing reconstruction needs. However, the report does not evaluate the period after April 2017 in terms of policy implementation or aid provided.

**Confidence in findings.** The quantitative survey is representative of all people in the eleven districts studied. A careful sampling strategy—at the VDC, ward, household, and individual levels—was developed and employed. Stratified random sampling, along with weighting of the data, means that we can be sure with a high degree of confidence that what we find holds true for the wider population living in earthquake-affected districts. The margin of error across the whole dataset is +/- 1.4% at a 95 percent confidence level. The sample size is at least 350 for each district allowing for a margin of error of +/- 5.2% for district-disaggregated analyses. Where we break down the survey population by impact, demographic, or other variables (for example, comparing the opinions of men and women or patterns of recovery between people of different castes) the level of accuracy of survey findings reduce. It should be noted that the large sample size allows for more accurate estimates, and that the margins of error are smaller than in most surveys, in Nepal and beyond.

<sup>3</sup> The IRM-1 survey was conducted in 14 districts. Three of these districts (Manang, Khotang and Dang) were dropped for IRM-2, IRM-3 and IRM-4 because they were subsequently not included in the PDNA's classification of earthquake-impacted districts.

<sup>4</sup> The vast majority of people interviewed in the IRM-4 survey (4,131 out of the 4,854) had also been interviewed in IRM-2 and IRM-3.

A smaller number of these people (1,403) were also interviewed in IRM-1. In some places in the report, we use the data that includes only people interviewed in multiple rounds (referred to as the household panel dataset). In other analyses, we use the full datasets from IRM-1, IRM-2, IRM-3 and IRM-4. For a fuller discussion of the survey methodology, and changes in approach over time, see the IRM-4 survey report.







Photo: Alok Pokharel

**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 September 2016

A number of key contextual changes since IRM-3 was conducted have shaped recovery.

**The National Reconstruction Agency.** At the time IRM-3 was being conducted, the National Reconstruction Agency was busy implementing the Rural Housing Reconstruction Program (RHRP), particularly in the 11 most affected districts.<sup>5</sup> The NRA is the lead government agency for all post-earthquake reconstruction activities with a wide mandate relating to coordination and facilitation of reconstruction, recovery, and preparedness work.<sup>6</sup> Since IRM-3, the NRA

has faced ongoing difficulties in carrying out its work, including a shortage of technical staff in the field.<sup>7</sup> The NRA has also made efforts to address policy gaps and the diversity of housing reconstruction needs beyond new housing construction (see Annex A). The main changes made by the NRA included putting in place grants for the purchase of land for the resettlement of earthquake victims living in geologically unsafe areas and grants for landless earthquake victims. While significant challenges remain to implement the new policies at the local level, the policies are a positive step from the NRA.

<sup>5</sup> References for this section can be found in the IRM-4 qualitative report.

<sup>6</sup> The NRA is mandated to work closely with a number of other government ministries. The Ministry of Federal Affairs and Local Development, through its Central Level Programme Implementation Unit and District Level Programme Implementation Units, holds primary responsibility for the disbursement of the housing

grant. Primary responsibility for technical standards and staffing for housing reconstruction are the responsibility of the Ministry of Urban Development (MoUD), through its CL-PIU and DL-PIUs, as well as the Department of Urban Development and Building Construction (DUDBC).

<sup>7</sup> For more on the problems, see the IRM-3 qualitative report.



**Rural Housing Reconstruction Program (RHRP).** Since IRM-3, the government and donors have largely focused on housing reconstruction mainly through the Rural Housing Reconstruction Program. The RHRP is supported by a multi-donor fund, emphasizes owner-driven reconstruction, and cash grants of NPR 300,000 are provided in three installments to eligible beneficiaries to aid them in building earthquake-resistant houses. Implementing the RHRP required a third round of damage assessments aimed at identifying reconstruction grant beneficiaries, which began in February 2016. It also involved signing agreements with beneficiaries to receive cash grants for reconstruction (which began in March 2016), followed by disbursement of the first installment of the reconstruction cash grant in the 14 most affected districts (which also began in March 2016).

By April 2017, when IRM-4 was conducted, the signing of beneficiary agreements and the distribution

of the first installment of the reconstruction cash grant was largely complete in the 14 most affected districts including Gorkha, Sindhupalchowk and Okhaldhunga. Inspections for and distribution of the second installment started in January 2017 in the 14 most affected districts. Inspections for and distribution of the third installment in the 14 most affected districts began in March 2017. At the time of IRM-4 in April 2017, the CBS damage assessment survey of the 17 less-affected districts was nearing completion (including in Solukhumbu). However, the signing of beneficiary agreements and the distribution of the first installment of the reconstruction cash grant had just started in April 2017 in these districts. Since then, there has been more progress with the RHRP program (see Annex A). However, because these developments came after fieldwork was conducted, they are not covered in this report.



Photo: Alok Pokharel

## 1.4 Report structure

This report covers a number of areas:

- *Progress in recovery.* Chapter 2 considers changes to and conditions in shelters, progress in reconstructing homes, progress in repairing infrastructure and the status of service delivery, the recovery of livelihoods, food provision and needs and trauma and vulnerability.
- *Aid and the housing grants.* Chapter 3 details the nature of aid provided and how this has changed over time, critical needs, 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, social cohesion and conflict.* Chapter 5 reviews the extent to which the earthquake and aid response have affected political party activities, roles, and levels of influence, changes in people's political preferences, and the impacts 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, a discussion of implications for aid and recovery efforts moving forward and recommendations. These conclusions and recommendations are not necessarily those of the donors to IRM.



# Chapter 2 Recovery



Photo: Alok Pokharel

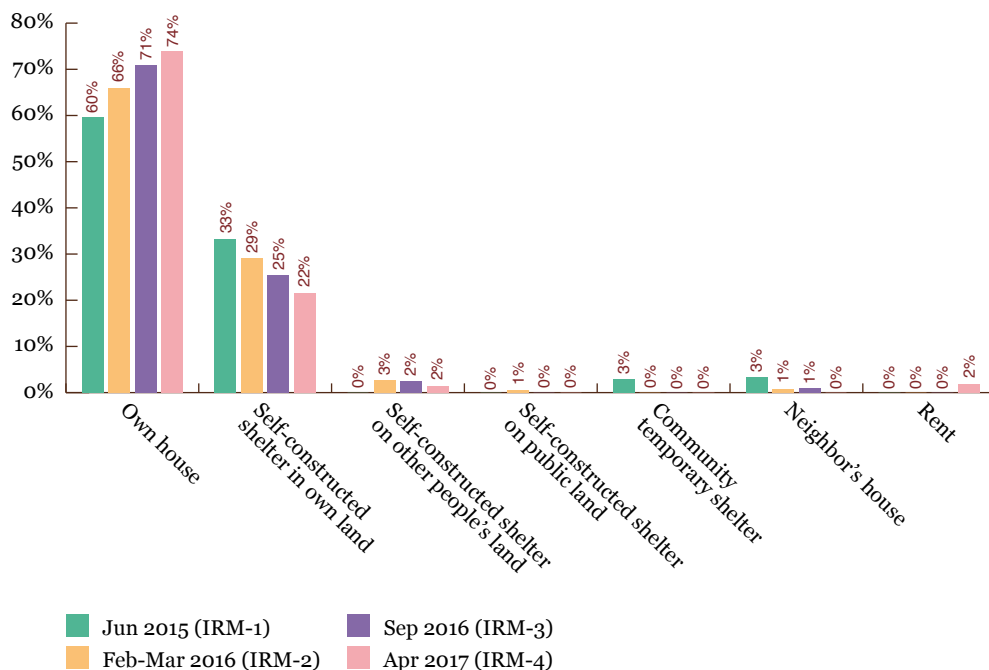
## 2.1 Housing and shelter

### Where people are living

**Over two years, there has been slow progress of people moving from temporary shelters to homes. Large proportions of people in severely impact districts and of those whose house was completely damaged still live in temporary shelters.**

Almost three-quarters of people in earthquake-affected areas now live in their own homes compared to 60% in the immediate aftermath of the earthquakes (Figure 2.1). Twenty-four percent now live in self-constructed shelters compared to 33% in IRM-1.

Figure 2.1: Where people were/are living (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



Despite some progress, a much larger share of the population in severely hit districts is still living in temporary shelters. Sixty-two percent of people in these districts are still in shelters, down from 71 percent in IRM-3. Sindhupalchowk still has the highest proportion of people living in temporary shelters either on their own land (76%) or on other people's land (8%).<sup>8</sup> Much fewer people in lesser affected districts remain in shelters: 5% in crisis hit districts and 2% in hit with heavy losses and hit districts.

According to self-reported levels of housing damage, 44% of people whose house was completely destroyed are still living in shelters, compared to 5% whose house was badly damaged. Almost no-one whose house suffered minor or no damage was living in a shelter in April 2017.

***The marginalized and those who live in more remote areas are much more likely to remain in shelters and have found it much harder to move home.***

Low caste people who were in shelters in IRM-2 are more likely than others, especially those of high caste, to continue to live in shelters (Table 2.1). Income is another important factor. Individuals in the low income group are 11 percentage points more likely than the high income group and 7 points more likely that the medium income group to continue to live in shelters. Education levels and gender are not good predictors of who remains in shelters. However, widows are 4 percentage points more likely than others, and people with disabilities are 5 percentage points more likely than those without any disabilities, to continue living in shelter in IRM-4.

**Table 2.1:** Share of people living in shelters in IRM-2 who continue to live in shelters in IRM-4 – by caste, pre-earthquake income, education, gender, widows and disability (IRM-2, IRM-3, IRM-4, household panel, unweighted)

		Live elsewhere (IRM-4)	Continue to live in shelter (IRM-4)
Caste	High caste	40%	60%
	Janajati	33%	67%
	Low caste	30%	70%
Pre-earthquake income	Low	31%	69%
	Medium	38%	62%
	High	42%	58%
	Don't know/refused	52%	48%
Education	Illiterate	32%	68%
	Literate but no education	35%	65%
	Primary level	29%	71%
	Lower secondary level	39%	61%
	Secondary Level	54%	46%
	SLC pass	44%	56%
	+2/Intermediate pass	36%	64%
	Bachelor pass	50%	50%
Gender	Master and Above	25%	75%
	Female	35%	65%
	Male	35%	65%
Disability	Widows	31%	69%
	No disability	35%	65%
	Disability	30%	70%

Forty-five percent of people in more remote areas are still in shelters compared to 37% in remote areas and just 6% in less remote areas.<sup>9</sup>

***The number of displaced households has continued to decrease, with people moving back to their previous land or buying new land.***

<sup>8</sup> In some of the tables and figures in this report, numbers do not add up to 100% because of rounding errors.

<sup>9</sup> Remoteness is categorized according to the time it take for individuals to reach the district headquarters from their homes: < 1 hour = less remote; 1-6 hours = remote; >6 hours = more remote.

Data from the qualitative research provide some examples of this trend. In ward 2 of Barpak VDC, Gorkha, there were 40 displaced households in IRM-3, but this had reduced to around 25 displaced households by IRM-4. In Prapcha VDC, Okhaldhunga, the number



had decreased from 48 to 20-25 households, and in Sindhupalchowk it had decreased in Syaule VDC from 22 households to none, and from seven to two households in Lisankhu VDC. Some households were buying new land within their VDC, generally in the places that they had been temporarily staying in, as was the case in Prapcha (see Case Study 2.1). Other households were returning to their previous settlements as a number of factors pushed them to leave their temporary settlements, despite the safety of their previous settlements not being assured (in Prapcha VDC, Okhaldhunga and in Syaule VDC, Sindhupalchowk).

***Displaced households continued to face uncertainty and remained vulnerable.***

They often took risks when moving back to unsafe land or buying new land by taking large loans. In several cases this was because they had received little to no help from the government and moved back having given up hope of receiving assistance. In some cases, social tensions with their neighbors in temporary settlements proved too great. As a result, although the number of displaced had reduced, the formerly displaced remained highly vulnerable, either back on unsafe land, unwelcome in temporary settlements or indebted.

**Case Study 2.1: The precariousness of displaced Dalit families in Prapcha VDC, Okhaldhunga**

In IRM-3 more than 15 Dalit households displaced by the earthquake from Prapcha-8, Keureni Hill, were living within one kilometer of their original settlement in Dahalgaun and renting land belonging to upper castes. As of IRM-4, these displaced Dalit families had received the first housing cash grant installment of NPR 50,000 but, as the ward had been declared unsafe by the geological assessment team, they did not have land onto which to build their houses. The resettlement issues facing these displaced families had not been addressed by the government or district authorities by April 2017.

As a result of the government inaction, the displaced households took matters into their own hands and took out loans or borrowed money in order to buy land. About eight families purchased the land that they had been renting in Dahalgaun and started building houses. They did so by borrowing money from family members or local moneylenders. For example, Indra, a 28-year-old Dalit man from that settlement, borrowed a total of NPR 350,000 from his sister, other relatives and local upper caste moneylenders at 2 percent interest. Govinda, 43 years old, said that his loan to build a house had doubled from NPR 200,000 to more than NPR 400,000 over the previous six months (from late 2016 to early 2017).

Another five Dalit families moved back to their original settlement and started building houses, against advice from the district authorities. Thirty-year-old Menuka said that her family was not in a position to purchase land in Dahalgaun but continued living on a small patch of

land rented for NPR 3,000 a year. Menuka had already started building a house on her original settlement, even though the VDC technical assistant and engineer had advised her against it. Facing a dilemma, she said, “if we don’t build a house we don’t have a place to stay, but if we build here, we are told that we won’t get the next installments.”

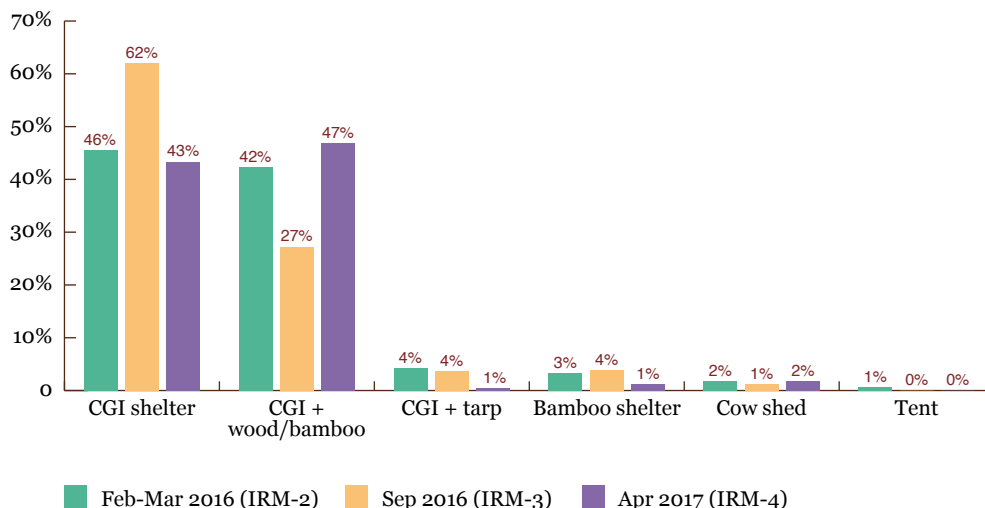
Those displaced families who had started rebuilding their houses had not received technical support from NRA engineers. An assistant sub-engineer who was deployed by the Red Cross to provide technical assistance in the VDC said “we initially discouraged them from building houses, but when they were determined to build, we suggested they at least follow NRA guidelines so that they would have a chance of getting the second and third installments of the reconstruction cash grant.” However, an NRA engineer based in Prapcha explained that they could not provide families with technical support as the government had not identified the area as safe. This will most likely mean that those families will not rebuild according to the national building code and design catalogue suggestions. As a result, the families will not receive the second and third installment of the cash grant (unless, after they fail, they complete correction orders issued by NRA engineers) and will have to borrow extra money to complete their houses. In addition, they will continue to live on unsafe land.

*Note: This is a follow-up to case studies from previous research rounds. See, Case Studies 5.1 and 7.3 in the IRM-3 qualitative report.*

**Most temporary shelters are made of CGI only or CGI with wood and bamboo. Those in less remote areas are more likely to have better shelters than those living further.**

Almost all of those living in shelters live in either corrugated galvanized iron (CGI) shelters or shelters made from a combination of CGI and wood or bamboo (Figure 2.2). There has been a decline in the number of people in shelters that use tarpaulins or that are primarily built from bamboo.

**Figure 2.2:** Share of people living in different types of shelters (IRM-2, IRM-3, IRM-4, weighted)



In IRM-4, those in shelters in less remote areas were more likely to be in shelters made out of CGI sheets, but shelters found in remote and more remote areas are more likely to be either non-CGI shelters or those that combine CGI sheets with wood or bamboo. The share of people using CGI sheets only in less remote areas (62%) is almost twice that of those in shelters in more remote areas (34%) and 21 percentage points higher than in remote areas (41%).

**In the areas covered by the field research, none of the community shelters were in use, as they were deemed unfit for living.**

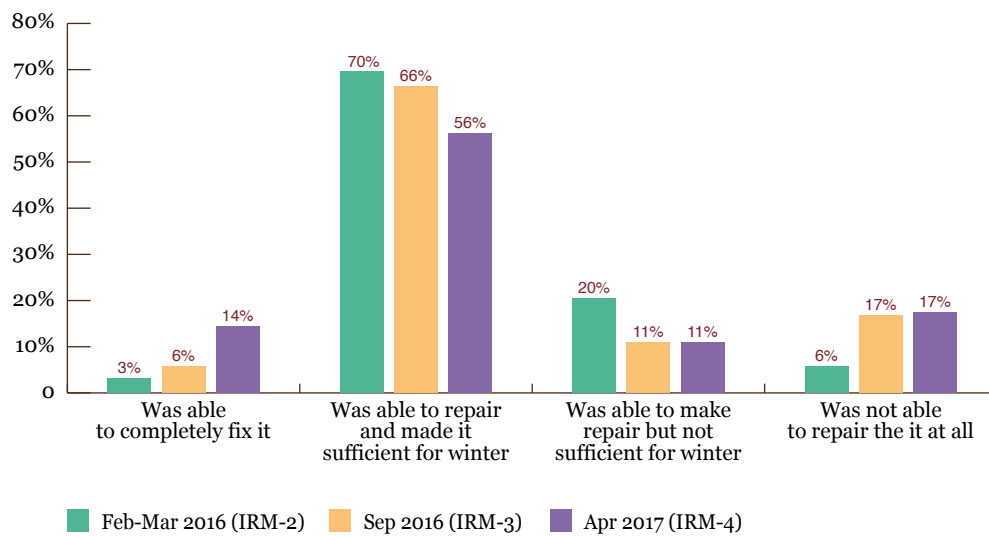
In the VDCs visited, community shelters were either no longer in use or had never been inhabited. Community shelters were deemed impractical as they were often too small to house a whole family and also too small to leave enough room to store grain, grass and accommodate cattle. People therefore preferred to stay in individual shelters closer to their damaged homes. Households who were displaced also preferred to stay in self-constructed shelters on public rented land and some were resettled inside government buildings.

**Most people were able to make their shelters ready for adverse weather. Those who could not were more likely to be marginalized groups.**

When asked if respondents were able to prepare their shelters for winter weather, the majority (70%) in IRM-4 said that they were able to fix them sufficiently or completely. However, 17% failed to repair their shelters completely and 11% failed to repair them sufficiently. When comparing with people’s preparedness in the past, as shown in Figure 3.3, a relatively higher share of people were able to completely repair their shelters in IRM-4 (14%) compared to IRM-3 (6%) or IRM-2 (3%). The share of people who failed to repair sufficiently or completely has not changed since IRM-3.

Individuals in the low caste group were less likely to repair sufficiently or completely compared to Janajatis or those in the high caste group. Low caste people were more likely to report inadequate or no repair (37%) compared to Janajatis (27%) or those of high caste (29%). Slightly more people in the medium and high income groups said that they were able to sufficiently or completely repair their shelters for winter with a relatively larger share of people in the low income group saying that they had made either inadequate or no repairs (30%) compared to medium income individuals (25%) and high income people (23%). People with disabilities have also faced greater difficulty repairing their shelters. Seventy-one percent of people without any disability said that they had been able to sufficiently or completely repair the shelters compared to only 54% of people with disabilities.

**Figure 2.3:** Share of people preparing their shelters for winter (IRM-2, IRM-4)/ monsoon (IRM-3) (IRM-2, IRM-3, IRM-4, weighted)



\*1% in IRM-2 and IRM-4 mentioned that their shelter did not need any repair

***As in previous rounds, people in makeshift shelters continue to face hardships. Those with a low income and those who were unable to fix their shelters were more likely to have someone in their household fall ill.***

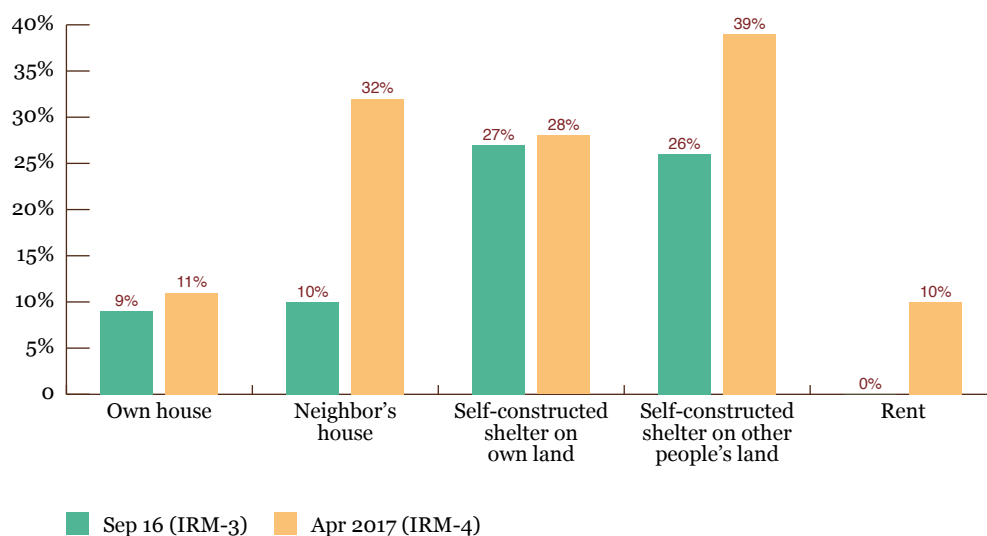
Those staying in shelters reported feeling uncomfortable due to the lack of space and poor protection from weather, insects and animals, as well as safety concerns about the structures. More people fell sick in the winter than in the monsoon that preceded it.

Nineteen percent said they had a sickness in their family in the winter compared to 17% in the monsoon. Recurrent cold and fever were the most common illnesses (both at 33%). For the winter, those belonging to lower castes (28%) were much more likely than Janajatis (19%) or higher caste groups (18%) to report an illness. Those with lower incomes were more likely to have experienced an illness in the family. Those in temporary shelters were also more likely than others to say they had had a sickness in the family (Figure 2.4).



Photo: Alok Pokharel

**Figure 2.4:** Share of people who say someone in their family got sick due to shelter issues – by where people were living (IRM-3, IRM-4 household panel, unweighted)



Among those living in temporary shelters, those in cowsheds were the most likely to say someone fell

ill during the winter season with 47% of people in cowsheds reporting a sickness in the family.

## Reconstruction of houses

**Table 2.2:** Proportion whose house was destroyed or suffered major damage who have done nothing to rebuild their damaged house – by district impact and district (IRM-4, weighted)

	Proportion who have not started rebuilding
<b>Severely hit</b>	<b>62%</b>
Dhading	69%
Gorkha	49%
Nuwakot	58%
Ramechhap	61%
Sindhupalchowk	70%
<b>Crisis hit</b>	<b>55%</b>
Bhaktapur	53%
Kathmandu	55%
Okhaldhunga	60%
<b>Hit with heavy losses</b>	<b>42%</b>
Solukhumbu	34%
Lamjung	52%
<b>Hit</b>	<b>35%</b>
Syangja	35%
<b>All</b>	<b>56%</b>
Less remote	52%
Remote	59%
More remote	48%

**Over half of people whose house sustained complete or major damage have not yet started rebuilding.**

The majority of people whose house was impacted by the earthquakes have not started rebuilding.<sup>10</sup> Fifty-six percent of those whose house suffered complete destruction or major damage reported that they had not done anything to rebuild. Those in more affected districts are less likely to have started rebuilding (Table 2.2). People in Sindhupalchowk, Ramechhap and Okhaldhunga are the least likely to have started rebuilding, while a larger share of people whose house was destroyed or suffered major damage have started rebuilding in Solukhumbu and Syangja.

**People of low caste or low income and widows are less likely to have started rebuilding.**

Those of low caste are 9 percentage points more likely than high caste people, and 4 points more likely than Janajatis, to have not started rebuilding. Low income individuals are 1 percentage point more likely than

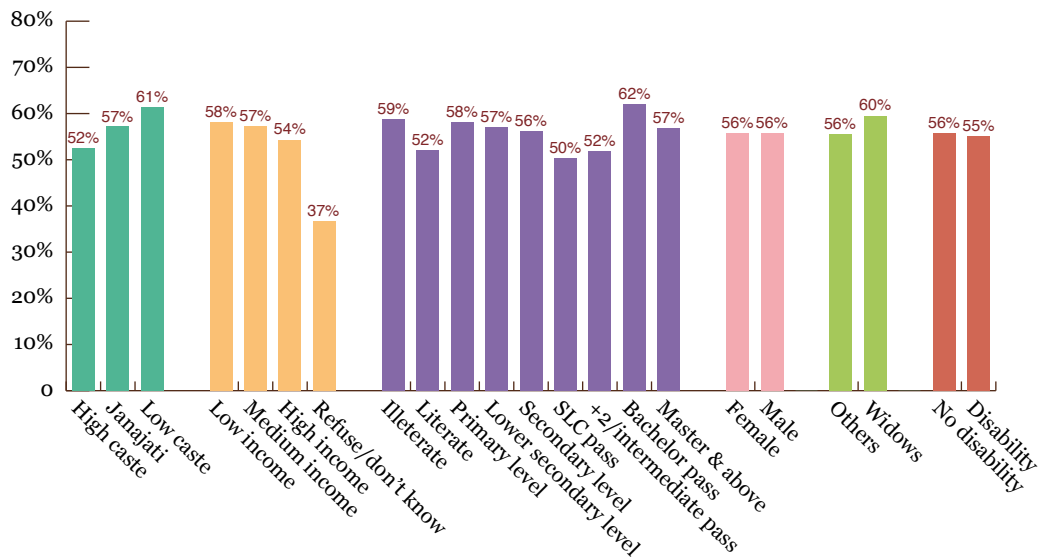
<sup>10</sup> For information on the role and limitations of the Rural Housing Reconstruction Program grant in supporting rebuilding, see Chapter 3.



those with a medium income and 4 points more likely than those with a high income to have not started rebuilding. Differences by gender and disability are negligible, but widows are 4 percentage points less likely than others to have started rebuilding their damaged or destroyed house (Figure 2.5). Fifty percent

of those who said their income has declined since the earthquake said they have not started rebuilding, 14 percentage points more than those whose income has improved and 9 points more than those whose income has not changed.

**Figure 2.5:** Proportion who have not done anything to rebuild their damaged house – by caste, pre-earthquake income, education, gender, widows and disability (IRM-4, weighted)



***Lack of money and waiting for the government cash grant remain the most common reasons for not rebuilding.***

When asked why they had not starting rebuilding, people overwhelmingly mentioned not having enough money (93%) – Figure 2.6.<sup>11</sup> Compared to the IRM-3 survey, conducted six months earlier, this is an increase of 4 percentage points.<sup>12</sup> The next most common reason according to respondents in IRM-4 was that they were waiting for government cash grants (49%).<sup>13</sup> The share of people citing this reason has declined from 66% in IRM-3.

People in high impact districts, who live in more remote areas, people of low caste and widows were more likely to say that they were still waiting for the government cash grant.

***Costs for reconstruction continue to increase.***

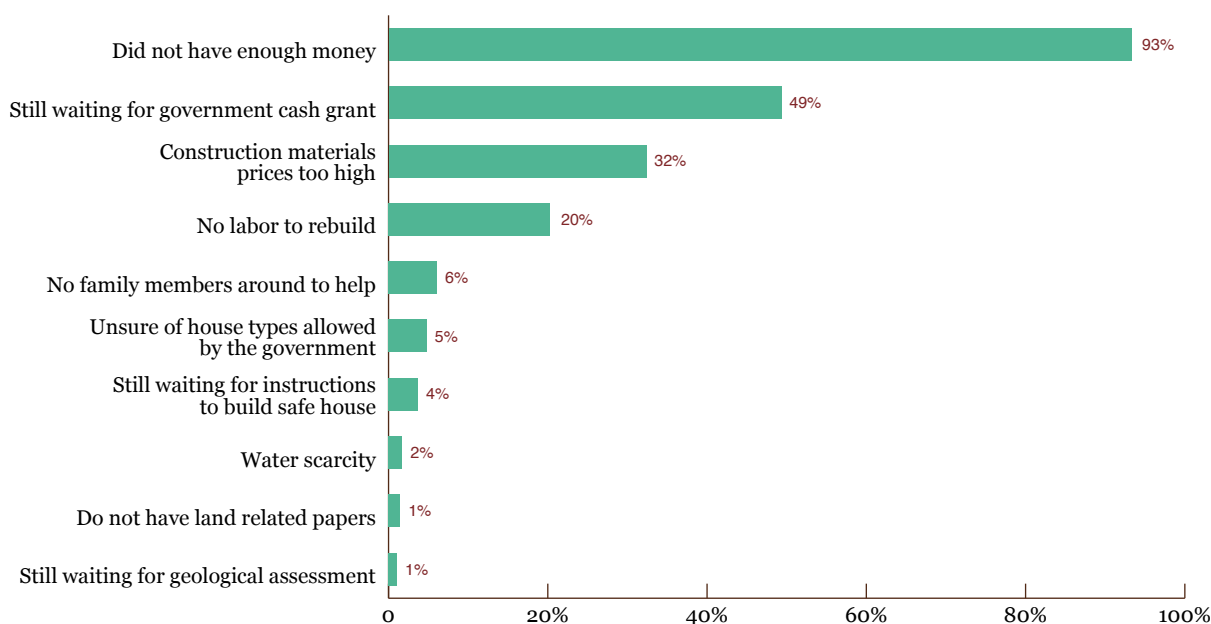
All VDCs visited by IRM field research team had seen increases in the prices of at least some of the main

materials needed for construction such as sand, stones, bricks, wood, cement, iron rods and CGI. As reported in IRM-3, there is a widespread perception that following the government's guidelines on housing types requires construction materials from outside VDCs, leading to high transportation costs. Even for materials that are available locally, costs have increased due to rising demand. This includes the cost of labor to break and carry stones and the costs of hiring vehicles or porters to transport materials to construction sites, especially in areas far from motorable roads. Daily wages for skilled and unskilled labor have steadily increased since the beginning of reconstruction. In one field site in Solukhumbu, for example, wages for skilled and semi-skilled masons, and for unskilled laborers, had increased by 100% since the earthquakes and by 40% since late 2016. There has also been a shortage of trained construction labor, meaning that even those able to pay higher wages have struggled to find laborers and often had to delay rebuilding. Shortages of wood and water continue to be reconstruction challenges.

<sup>11</sup> Respondents could give multiple reasons why they have not started rebuilding, hence percentages do not add up to 100%.

<sup>12</sup> IRM-3 quantitative report, p. 24.

<sup>13</sup> See Chapter 3.

**Figure 2.6:** Reasons for stopping repairing or not building a house (IRM-4, weighted)

***Faster rebuilding rates were observed in wards with greater outside assistance and internal community support systems.***

Wards with good road access and higher wealth were generally faster to rebuild. Another factor was the presence of outside donors who rebuilt houses for people or who were significantly invested in helping people rebuild, both financially and by providing materials and assistance for construction. In Nele VDC in Solukhumbu, an individual donor provided assistance for the rebuilding of nearly all damaged houses in the VDC; in one ward of Baruwa VDC in Sindhupalchowk, an Italian individual had helped rebuild several

houses. In these locations, noticeably more houses had been completed compared to other wards.<sup>14</sup>

Intra-community support during reconstruction through traditional labor sharing practices, called *parma*, also contribute to faster rebuilding. In some wards of Syaule VDC, Sindhupalchowk, the local Tamang community resorted to labor sharing during reconstruction because of high labor costs and labor shortages. This allowed them to proceed steadily with reconstruction. However, such labor sharing practices are not widely available across earthquake-affected districts.

## 2.2 Infrastructure and service delivery

***Overall there has been no significant change in access of public services in the past three rounds of research, except water accessibility which saw a decrease in IRM-4.***

Access to public services has improved since the immediate aftermath of the disaster. In particular, access to

drinking water improved markedly between June 2015 and March 2016. However, since then, there have not been significant changes in the proportion of people reporting they have access to most services. The one exception is access to drinking water. Nine percentage points fewer people say they have access to drinking water in April 2017 compared to September 2016.

<sup>14</sup> It is unclear whether or not these houses are compliant with the national building code. The NRA has attempted to discourage this approach to rebuilding, preferring that individual donors and NGOs support technical assistance in the Rural Housing Reconstruction Program. Evidence from other disasters suggests

that the owner-driven reconstruction model is more likely to result in a higher number of safer houses for a larger percentage of the population as compared to NGOs or individuals building homes on behalf of people.



Access to clean drinking water has declined in severely hit and crisis hit districts. As shown in Table 2.3, while only 46% of people in severely hit districts reported having access to clean drinking water immediately after the earthquake (IRM-1), the figure increased to 75% in IRM-2 and 85% in IRM-3. However, only 76% of the severely hit population said they had access to clean drinking water in IRM-4. The result is driven

mainly by two districts, Gorkha and Nuwakot, where reported water accessibility in IRM-4 has lowered by 19 percentage points and 29 points, respectively, since IRM-3. In crisis hit districts, there has been a decline of 12 points from IRM-3 to IRM-4. Among crisis hit districts, the share of people with access to clean water declined by 7 percentage points in Bhaktapur and by 13 points in Kathmandu.

**Table 2.3:** Access to clean drinking water - by district impact and district (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
<b>Severely hit</b>	<b>46%</b>	<b>75%</b>	<b>85%</b>	<b>76%</b>
Dhading	36%	71%	77%	82%
Gorkha	32%	91%	87%	68%
Nuwakot	74%	71%	95%	66%
Ramechhap	59%	76%	80%	86%
Sindhupalchowk	36%	68%	85%	81%
<b>Crisis hit</b>	<b>83%</b>	<b>94%</b>	<b>92%</b>	<b>80%</b>
Bhaktapur	73%	92%	89%	82%
Kathmandu	86%	95%	93%	80%
Okhaldhunga	66%	86%	76%	81%
<b>Hit with heavy losses</b>	<b>82%</b>	<b>95%</b>	<b>99%</b>	<b>100%</b>
Solukhumbu	94%	91%	100%	100%
Lamjung	75%	97%	99%	100%
<b>Hit</b>	<b>51%</b>	<b>90%</b>	<b>97%</b>	<b>97%</b>
Syangja	51%	90%	97%	97%
<b>All districts</b>	<b>69%</b>	<b>88%</b>	<b>90%</b>	<b>81%</b>

**Satisfaction rates with public services have declined in IRM-4 with the exception of electricity.**

Satisfaction with electricity saw a big increase from 63% in IRM-3 to 91% in this round while satisfaction

with other services have gone down (Table 2.4). Highest levels of dissatisfaction are with drinking water (23%) and roads (15%). Levels of dissatisfaction with water is high in both IRM-2 and IRM-4, both of which cover the dry season.

**Table 2.4:** Satisfaction with public services (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

		Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Electricity	Satisfied	89%	60%	63%	91%
	Neither satisfied nor dissatisfied	5%	5%	18%	5%
	Dissatisfied	6%	35%	19%	4%
Drinking water	Satisfied	85%	61%	67%	62%
	Neither satisfied nor dissatisfied	7%	6%	17%	15%
	Dissatisfied	8%	33%	16%	23%
Medical facilities	Satisfied	93%	81%	80%	67%
	Neither satisfied nor dissatisfied	4%	5%	13%	24%
	Dissatisfied	3%	14%	7%	9%

		Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Schools	Satisfied	93%	85%	90%	77%
	Neither satisfied nor dissatisfied	3%	4%	7%	20%
	Dissatisfied	4%	11%	3%	3%
Motorable roads	Satisfied	90%	80%	80%	64%
	Neither satisfied nor dissatisfied	4%	5%	10%	21%
	Dissatisfied	6%	15%	10%	15%

### ***A lack of resources and poor coordination has hampered infrastructure reconstruction.***

Local government officers and VDC Secretaries as well as residents consistently raised this issue. Most infrastructure repairs that had been completed involved assistance from I/NGOs, donors, UN agencies or individual support, but large gaps in budgets had yet to be filled. As with housing reconstruction, infrastructure reconstruction was also affected by a lack of clarity on the decision-making powers of district offices and their

relationship to the NRA. With the large number of line agencies involved in the reconstruction of infrastructure, the lack of clarity is likely to cause further delays if it remains unaddressed. Additionally, the same challenges of road access, high costs for materials, transportation and labor, and shortages of laborers were delaying infrastructure reconstruction. In some instances, infrastructure reconstruction projects were delayed because no new safe land could be identified to rebuild on.

## 2.3 Livelihoods

### ***Most people continue to see improvements in their income sources but the proportion seeing improvements in the past three months has declined for most sources compared to IRM-3.***

For most income sources the proportion saying they had seen recent improvements is lower than was the case for IRM-3 (Figure 2.7). Seventy-two percent of people who farm their own land whose income was affected by the earthquakes say they have seen recent improvements compared to 85% in IRM-3. Daily wage work, business income and remittances are the exceptions: for each, a much larger share of people say this income source has improved in the last three months compared to IRM-3.

### ***People in more affected districts are more likely to have seen their income decline since the earthquakes.***

On average, individuals in severely hit or crisis hit districts are nearly 15 percentage points more likely than those in lesser affected districts to report that their income has declined since the earthquakes (Table 2.5).<sup>15</sup> Declining income has been particularly widespread in

Sindhupalchowk and Gorkha districts. In each, over half of the population report that their current income is lower than their income before the earthquakes and the rate is also high in Okhaldhunga (46%).

### ***People who live in more remote areas, who sustained more housing damage or who still live in temporary shelter are more likely to have lower incomes now than before the earthquakes.***

A much larger share of people in more remote areas (44 percent) say that their income has declined since the earthquakes; 15 percentage points more than people in less remote areas. On the other hand, 30 percentage of people in less remote areas say their income has improved compared to 16 percent of those in more remote areas.

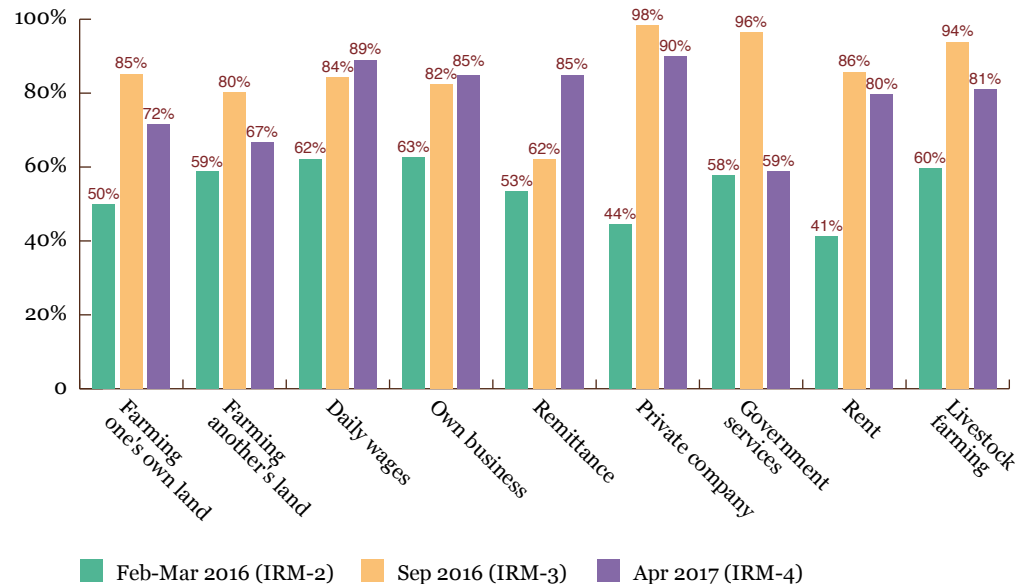
People who sustained greater damage to their houses are more likely to struggle with income recovery. Thirty-seven percent of those whose house was completely destroyed say their income has decreased since the earthquakes. This is 3, 11 and 14 percentage points more than people who suffered major, minor and no house damage to their house. People whose house saw minor or no damage are more likely to have seen their income increase than decrease.

<sup>15</sup> This is based on unweighted estimates from the panel dataset.

Twenty-nine percent of people living in their own house report improvements in income after the earthquakes. This is 5 percentage points more than people living in shelters on their own land and 10 percentage

points more than those living in shelters on other people's land. Those who are renting are also more likely to have experienced a decline in income than people living in their own homes.

**Figure 2.7:** Share of people within each income source whose income from that source has improved (IRM-2, IRM-3, IRM-4, weighted)



**Table 2.5:** Current income (IRM-4) compared to pre-earthquake income (IRM-2) – by district impact and district (IRM-4, IRM-2 household panel, unweighted)

	No change	Income decreased	Income increased	Don't know
<b>Severely hit</b>	<b>32%</b>	<b>38%</b>	<b>27%</b>	<b>3%</b>
Dhading	38%	25%	37%	1%
Gorkha	27%	51%	20%	2%
Nuwakot	34%	42%	20%	4%
Ramechhap	37%	20%	39%	5%
Sindhupalchowk	28%	52%	18%	2%
<b>Crisis hit</b>	<b>36%</b>	<b>35%</b>	<b>25%</b>	<b>5%</b>
Bhaktapur	35%	22%	32%	11%
Kathmandu	32%	23%	38%	7%
Okhaldhunga	37%	46%	16%	0%
<b>Hit with heavy losses</b>	<b>33%</b>	<b>22%</b>	<b>28%</b>	<b>17%</b>
Lamjung	43%	20%	36%	1%
Solukhumbu	17%	25%	14%	44%
<b>Hit</b>	<b>24%</b>	<b>21%</b>	<b>28%</b>	<b>26%</b>
Syangja	24%	21%	28%	26%
<b>All districts</b>	<b>38%</b>	<b>34%</b>	<b>27%</b>	<b>1%</b>

***People's pre-earthquake income is a powerful determinant of income recovery while caste plays small role.***

While 58% of those who had a low income before the earthquakes report that their income has declined since then, 69% of those who had a high income before the earthquakes say that their income has improved in the past two years. Recovery among Janajatis is lower with them being slightly more likely to report that their income has declined since the earthquakes compared to high caste and low caste people. A higher share of high caste people say their income has improved (28%), compared to Janajatis (26%) and low caste people (24%).

There is little difference in changes in income between men and women.<sup>16</sup> However, widows (36%) and those with a disability (37%) are slightly more likely to report that their income has declined.

***There has been a decline in the number of people who generate income through farming and an increase in the number generating income through their own business, daily wage work or remittances.***

When respondents were asked whether they had changed their livelihood in the previous three months, only 1% in IRM-2 said they had done so while 2% in IRM-3 and IRM-4 said they had. However, while these numbers are low, the data also reveal that some income sources are becoming more important. In IRM-1, conducted shortly after the earthquakes, 68% said farming their own land was a major income source.<sup>17</sup> By IRM-2, conducted in February 2016, this had declined to 51%. Since then, the proportion reporting farming their own land as a main income source has stayed fairly steady and is at 53% in IRM-4 (Figure 2.8). There has been a similar decrease in the number of people farming others' land (from 6% in IRM-1 to 3% in IRM-4). While livestock farming dropped sharply as an income source in the first year after the earthquakes, it has since almost recovered with 18% reporting it as a major income source in the latest survey. In contrast, far more people are generating income through their own business or daily wage work than in the past and remittances have become more important. Whereas 23% of people cited business revenue as a major income source in

June 2015, this had increased to 36% by April 2017. Eight percent of people said daily wage work was an important income source in June 2015; this increased to 17% in the latest survey. Those citing remittances as a major income source increased from 10% in June 2015 to 15% in April 2017.

***The decline of farming as a main income source may be explained by continuing impacts on the sector and on income opportunities from construction-related daily wage work.***

Farming in most areas has largely recovered from the earthquakes. However, some areas still face challenges such as geological damages due to the earthquakes, fears of landslides, crop depredation and water shortages. In areas studied in the qualitative field research, such as Sindhupalchowk's Baruwa VDC, households only engaged in farming one-third to one-half of their fields. The land closest to the village continues to be cultivated while land further away is left barren. Gyan Bahadur Syangbo explains: "Only half the cropping is done – the field has been damaged<sup>18</sup> by the earthquake. I don't think we can repair the field immediately, because for that we need money and if it gets damaged again, we will have loan after loan." Bhupal Syangbo from the same ward fears landslides as he feels the land has become fragile after the earthquake and prone to instability after heavy rains. Furthermore, Sarita Tamang explains that when land further away is left barren then neighboring plots are also left barren, which risks crop depredation by monkeys and other animals. Irrigation was also often inadequate, listed as a need in all nine VDCs where field research was conducted in three districts. The lack of adequate water supply for agriculture was a pre-existing issue but it was exacerbated by damage to infrastructure during the earthquake and the poor monsoon rainfall in 2015.

Income generated from farming is inadequate for rebuilding and in several cases not sufficient to sustain household's expenses. Respondents in Nele VDC, Solukhumbu, stated that harvests were only sufficient for three to four months and that the rest of their food had to be purchased from income from tourism, remittances or from daily wage labor. Increased opportunities in reconstruction, with a relative rise in daily wages, have reduced interest in farming. Many individuals are temporarily shifting to daily wage work.

<sup>16</sup> Thirty-four percent of both men and women say their income has declined. Twenty-seven percent of men say their income has increased compared to 26% of women.

<sup>17</sup> Respondents in IRM-4 could choose more than one option from 16 different income sources.

<sup>18</sup> Damage here refers to the collapse of retaining walls on the terraced slopes after the earthquake.

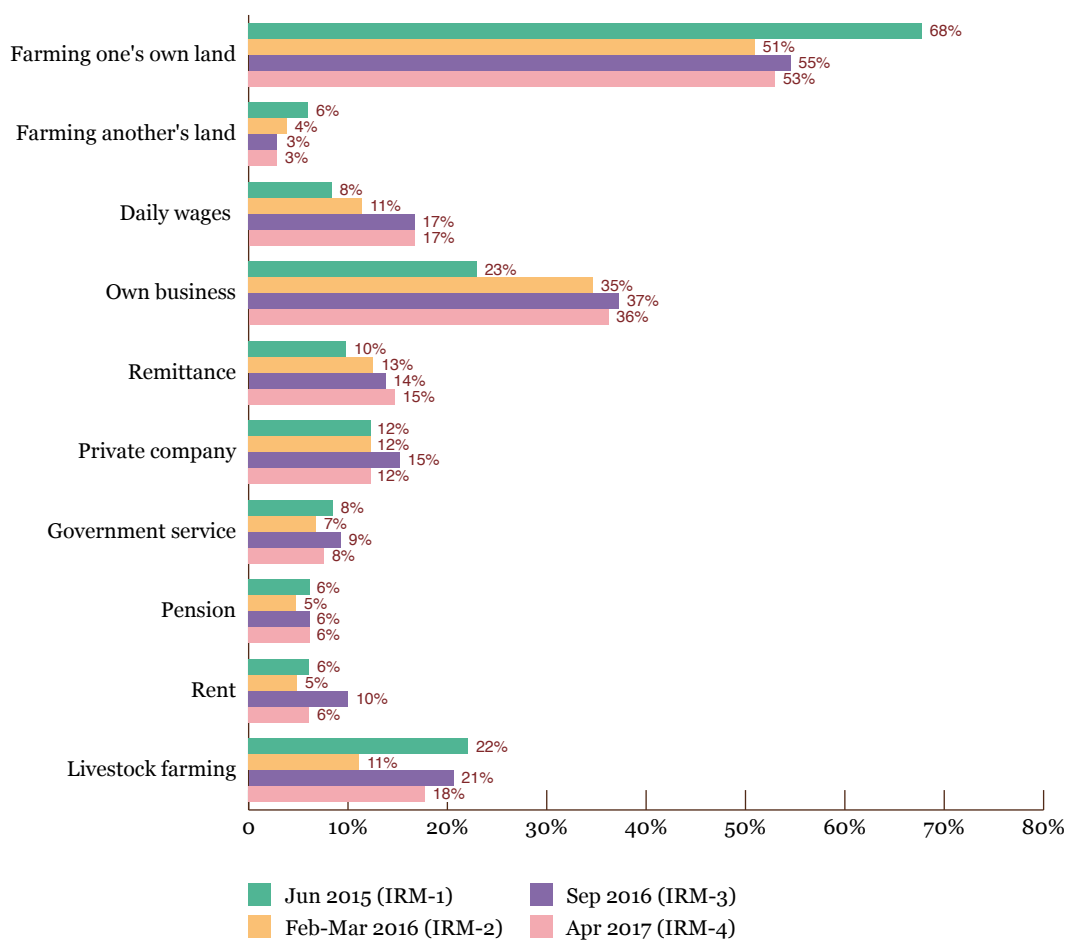
**Construction businesses have capitalized as rebuilding continues. Hotel businesses are doing well in high impact areas with many aid organizations present and also in tourist areas as tourism has fully resumed.**

Markets were generally fully functional in early 2016 after the blockade ended. With the boom in reconstruction, businesses related to construction have increased in number across the areas studied. Businesses are catering to the influx of wage laborers and masons. The many wage laborers, both local and from the Terai and India, have to be fed; as a result, restaurants and food shops are doing well, particularly in Sindhupalchowk. In areas heavily impacted by the earthquakes, the influx of aid organizations has generated more income for businesses with an increased demand for accommodation and catering services. In Baruwa VDC in Sundhupalchowk, for example, aid

organizations holding meetings and programs order meals from Himal Gurung who runs a small hotel business. Recently, he has built an additional cottage to rent rooms for guests who visit the VDC.

While tourism had been recovering in IRM-3, full recovery was seen in IRM-4 in April 2017. For example, in Phaplu, the tourist hub in Solukhumbu's district headquarters, the flow of tourists and hotel bookings was reported to be as high as the best years before the earthquake. Similarly, a respondent from Kerung VDC said, "I have been involved in trekking for 30 years. Due to the impact of the earthquake on trekking, I had to stay jobless for long after the earthquake and faced financial difficulties. Many people from this ward are involved in trekking and all of them faced the same difficulties for the past two tourist seasons. But now tourism has fully recovered and my job has come back to the pre-earthquake situation now."

**Figure 2.8:** Income sources for people in affected areas (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



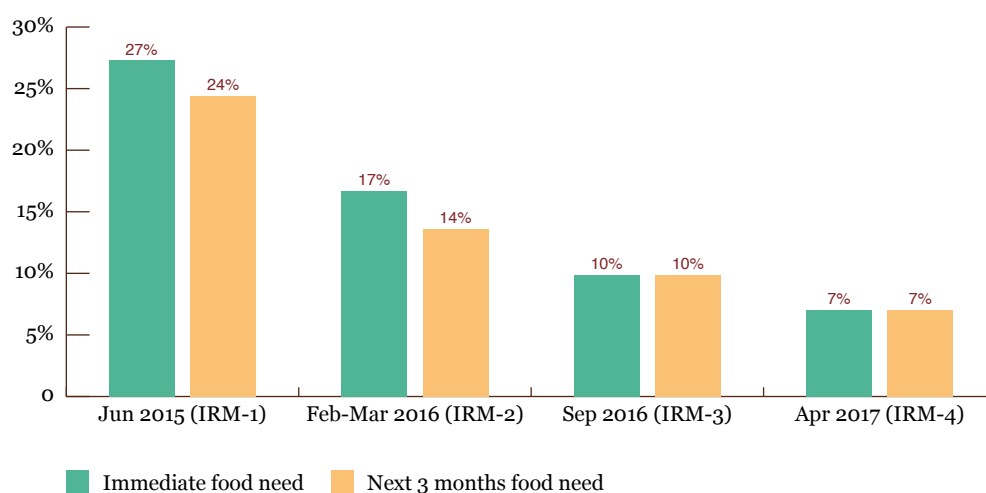
## 2.4 Food

### **Food needs are decreasing.**

Far fewer people say that the provision of food is a priority need for them than in previous IRM surveys.<sup>19</sup> Only 7% in IRM-4 say that food is one of their most

important immediate needs, down from 27% in IRM-1, and 7% that it is an important need for next three months, down from 24% in IRM-1. The drop in food demand has been steady since IRM-1 (Figure 2.9).

**Figure 2.9:** Food as a top immediate need and three month need (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



**However, food continues to remain an acute need in some areas and for certain groups of people: those in severely impacted districts, more remote areas and of low caste and low pre-earthquake income.**

Those in severely hit districts are much more likely than others to say they need food. Stated need for food is particularly high in Gorkha, Sindhupalchowk and Nuwakot (Table 2.6). The demand for food in districts that are more urban, such as Kathmandu and Bhaktapur, is much lower compared to other districts.

Food demand is also much higher in more remote areas than in remote or less remote areas. Twenty-seven percent in more remote areas say food is an immediate need and 22 percent say they need food in the next three months. Only 12 and 14 percent in remote areas and 4 and 3 percent in less remote areas say so.

Stated need for food is also substantially greater for those of low caste or who had a low pre-earthquake income. Immediate food need is almost three times higher among low caste people (13%) and nearly seven

times higher among the low income group (14%) compared to high castes (4%) and those with a high pre-earthquake income (2%).

**Table 2.6:** Food as a top immediate need and three month need – by district impact and district (IRM-4, weighted)

	Immediate food need	3 month food need
<b>Severely hit</b>	<b>20%</b>	<b>24%</b>
Dhading	4%	3%
Gorkha	38%	28%
Nuwakot	20%	45%
Ramechhap	9%	11%
Sindhupalchowk	26%	34%
<b>Crisis hit</b>	<b>3%</b>	<b>1%</b>
Bhaktapur	7%	3%
Kathmandu	1%	1%
Okhaldhunga	15%	7%
<b>Hit with heavy losses</b>	<b>8%</b>	<b>8%</b>
Lamjung	4%	5%
Solukhumbu	14%	14%
<b>Hit</b>	<b>11%</b>	<b>6%</b>
Syangja	11%	6%
<b>All districts</b>	<b>7%</b>	<b>7%</b>

<sup>19</sup> Food in the survey mainly refers to rice, wheat and maize, which are the main staple foods in Nepal.



There is not much variation in stated food need by gender.<sup>20</sup> However, widows are 5 percentage points more likely to say they have immediate food needs and 2 percentage points more likely to report food need for the next three months. Similarly, people with a disability are twice as likely as others to say they have an immediate need for food and 1.5 times more likely than others to mention food need for the next three months.

***Food consumption appears to be improving. People in severely hit districts, of low caste or low income and women are more likely to report decreases in food consumption.***

As with previous rounds of the survey, most people say their year-on-year consumption has remained the same, with around one-third saying it has increased and 6% reporting a decrease. Thirty-four percent now say their consumption has increased over the past year compared to 31% in February 2016. There is, however,

substantial variation in changes to food consumption across districts. Those in severely hit districts are substantially more likely to report decreases in consumption. The four districts where more than 10% of people report decreases in food consumption are Okhaldhunga (13%), Sindhupalchowk (12%), Nuwakot (13%) and Dhading (12%).

A higher share of low caste and Janajati people report decreasing food consumption (Table 2.7). However, levels of pre-earthquake income are more important. Those in the low income group are 3 percentage points more likely than those in the medium income group and 7 points more likely than those in the high income group to report a decrease in food consumption in the last eight months. There is also a noticeable difference in reported decreases in food consumption when disaggregating by gender, too. Women (9%) are twice as likely to report a decrease in consumption as are men (4%). The difference by education, widows and disability is not clear or large.

**Table 2.7:** Changes in food consumption in the past eight months – by caste, pre-earthquake income and gender (IRM4, weighted)

		Increased a lot	Increased slightly	Same as before	Decreased slightly	Decreased a lot	Don't know/refused
Caste	High caste	3%	26%	65%	4%	1%	0%
	Janajati	3%	27%	62%	7%	0%	1%
	Low caste	4%	26%	62%	7%	1%	0%
Pre-earthquake income	Low	3%	29%	56%	9%	1%	1%
	Medium	4%	24%	65%	6%	1%	0%
	High	2%	26%	69%	3%	0%	0%
Gender	Female	3%	27%	61%	8%	1%	0%
	Male	3%	26%	66%	4%	0%	0%

## 2.5 Trauma

***The number of people reporting that a family member is suffering psychological effects from the earthquakes has decreased in all areas.***

In IRM-3, 23% of people said that someone in their household was still suffering from psychological effects. This has decreased to 15%. There is no clear relationship between the level of earthquake impact in a district and reported levels of psychological problems.

***Those with a low income are facing more difficulty in recovering from psychological impacts.***

Reports of psychological effects due to the earthquakes decline with rising income. The gap between low income people and others is now greater than was the case in IRM-3, suggesting this group has had more problems overcoming any psychological impacts – Table 2.8. Women (16%) are slightly more likely than men (13%) to report psychological effects. Similar shares across caste groups say someone in their family is still impacted psychologically by the earthquakes.

<sup>20</sup> This is not surprising given people are likely reporting on food need for their households.

**Table 2.8:** Share of people reporting psychological effects from the earthquakes – by pre-earthquake income, age, disability, gender, widows and caste (IRM-3, IRM-4 household panel, unweighted)

		Yes		Yes, but the person is getting better		No	
		Sep 2016 (IRM-3)	Apr 2017 (IRM-4)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Pre-earthquake income	Low income	25%	20%	6%	3%	69%	77%
	Medium income	21%	11%	5%	4%	74%	85%
	High income	21%	9%	4%	4%	75%	87%
Age	18-29	22%	15%	5%	1%	72%	83%
	30-49	23%	13%	4%	3%	73%	83%
	50 and above	23%	16%	6%	4%	71%	80%
Disability	Disabled	22%	12%	5%	4%	72%	83%
	Not disabled	23%	16%	5%	3%	71%	81%
Gender	Female	25%	16%	5%	3%	69%	80%
	Male	21%	13%	5%	3%	74%	83%
Widows	Widows	26%	16%	7%	4%	67%	80%
Caste	High caste	21%	15%	6%	3%	73%	82%
	Janajati	23%	15%	5%	4%	72%	81%
	Low caste	29%	14%	5%	3%	67%	83%

***Psychological trauma is associated with housing damage.***

As was the case in IRM-3, people with a completely

destroyed home (17%) are more likely than those whose house was badly damaged (13%), whose house needs minor repairs but is habitable (10%) or whose house was not damaged (6%) to report psychological effects – Table 2.9.

**Table 2.9:** Share of people reporting psychological effects from the earthquakes – by housing damage (IRM-3, IRM-4 household panel, unweighted)

	Yes		Yes, but the person is getting better		No	
	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Completely destroyed	24%	17%	5%	3%	70%	79%
Badly damaged (needs major repair to live in)	19%	13%	6%	5%	75%	81%
Habitable (but needs minor repair)	23%	10%	4%	2%	73%	88%
Not damaged	19%	6%	5%	3%	76%	90%

## Chapter 3

# Aid and the Housing Grants



Photo: Alok Pokharel

## 3.1 Aid coverage

### Changes in aid coverage

***Aid coverage increased between IRM-3 and IRM-4 after a sharp drop in aid between IRM-2 and IRM-3. This was largely due to the distribution of the first installment of the housing grant.***

Two years on from the earthquakes, 40% of the people in earthquake-affected areas said that they had received aid since the last monsoon. In the early months after the earthquakes almost everyone said they received some type of aid (96% in IRM-1) – Figure 3.1. One year after the quakes about one-half said they received aid in the period between IRM-1 and IRM-2 (54% in IRM-2). By September 2016, there was a huge drop in those receiving aid (15% in IRM-3). The more recent jump in the number of people receiving aid was largely due to the distribution of the first tranche of the housing grant. Since last winter, aid coverage has been concentrated in the severely hit (81% received aid) and crisis hit (25%) districts.

Recent increases in aid coverage have not been seen everywhere. Aid coverage declined in hit with heavy losses and hit districts in the same period. Increases in aid coverage between IRM-3 and IRM-4 were sharpest in Nuwakot, Dhading and Bhaktapur.

People in Sindhupalchowk (89%), Ramechhap (80%) and Nuwakot (84%) were the most likely to have

received aid since the winter season (Figure 3.2). Though within the same earthquake impact category, people in Kathmandu (18%) were much less likely to get aid than in Bhaktapur (60%) or Okhaldhunga (51%). Almost no-one received aid in Lamjung and Solukhumbu and just 4% did in Syangja. Of the districts surveyed, these were the only ones where the first tranche of the government's housing grant had not been disbursed at the time of the survey.

***More remote areas received more aid but many remote villages also missed out.***

Aid coverage was extremely widespread everywhere in IRM-1, but from then on more remote areas started to receive more aid compared to other areas according to survey findings. Even in IRM-3, when aid coverage was at its lowest, people in more remote areas were twice as likely to have received aid compared to areas that were less remote or remote.

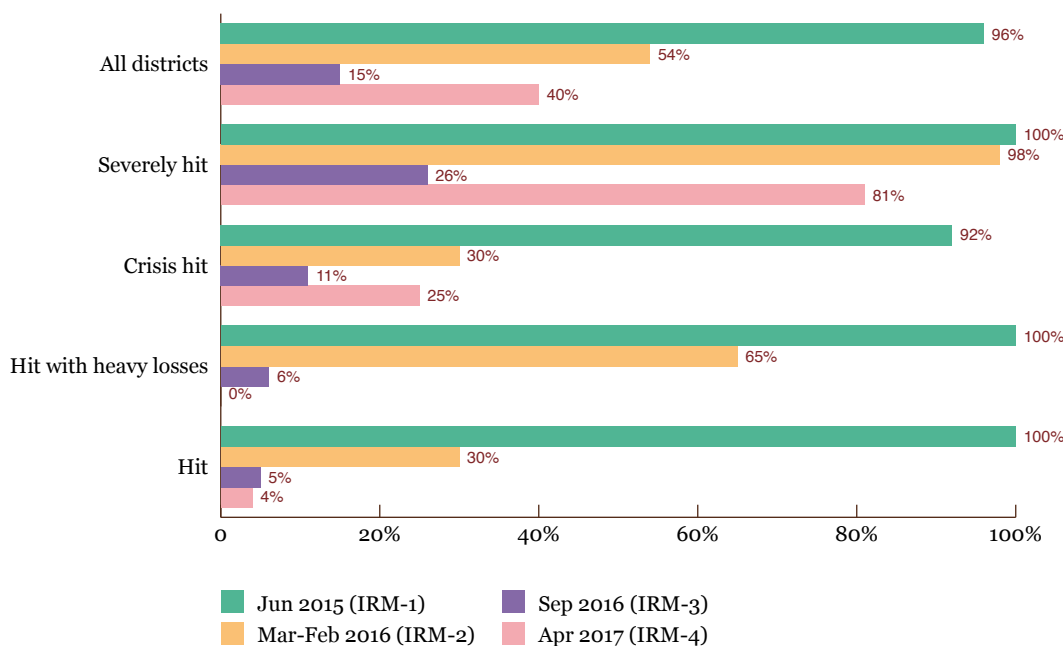
However, those in particularly remote areas may be missing out from aid.<sup>21</sup> The qualitative research found

<sup>21</sup> The more remote category in the survey research includes all areas more than 6 hours from the district headquarters. Many wards are significantly further than this and the survey research may not have fully captured differences in aid volumes going to these very remote areas.

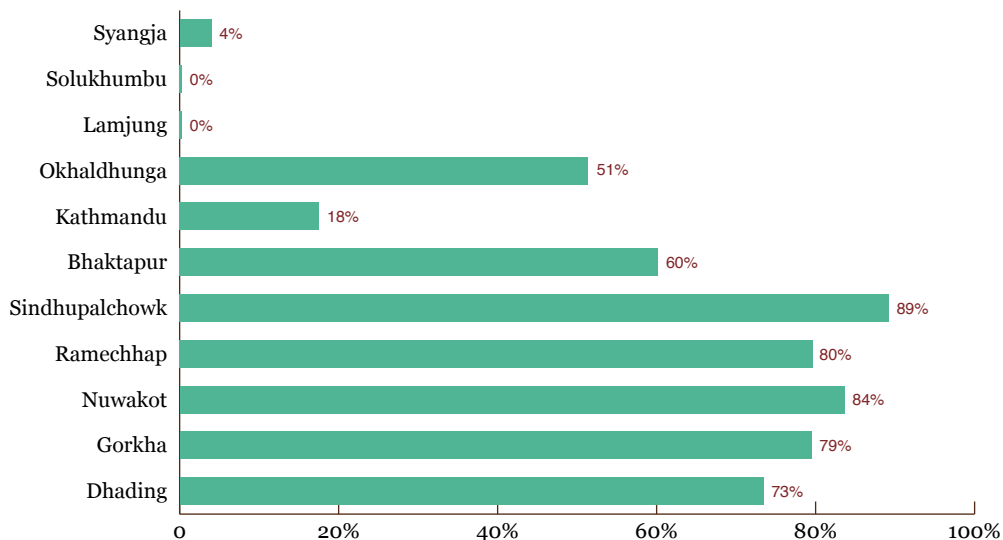
that people in the remote wards that were visited had received little direct aid and struggled more to access their cash grant beneficiary accounts or technical assistance. Extremely remote areas that could not be visited during the research were reported to be without any assistance in Solukhumbu district. Some of Solukhumbu’s remote eastern and western VDCs, which suffered damage comparable to some of the worst affected areas of Gorkha or Sindhupalchowk,

had reportedly received almost no assistance because of their remoteness and because the district was not a priority district and received little aid overall compared to more highly impacted districts. “It was stupid to think that a natural disaster like an earthquake would follow the district map when striking,” said a journalist in Solukhumbu who was concerned that people highly hit pockets of lesser impacted districts were forgotten.

**Figure 3.1:** Share of people receiving some type of aid – by district impact (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



**Figure 3.2:** Share of people receiving some type of aid since the end of winter 2016 – by district (IRM-4, weighted)





***Those belonging to higher castes and higher income groups were less likely to have received aid.***

In all four survey rounds, men and women have been equally likely to report that their household received some form of aid. Having a disability has also not affected whether or not someone receives aid. In IRM-4, 41% of those with a disability and 39% without one reported having received aid. People belonging to higher castes continue to be less likely to have received aid compared to Janajatis and lower castes. Further, as income rises, the likelihood of having received aid decreases sharply in all four survey rounds.

**Do people still require assistance?**

***The number of people saying relief is or will be needed in the near future has increased.***

In IRM-4, just 3% in the severely hit districts said no relief was needed, a similar figure to that from previous surveys. While those in lesser affected districts are much more likely to say no relief is needed (around three in 10 said so), this number has declined

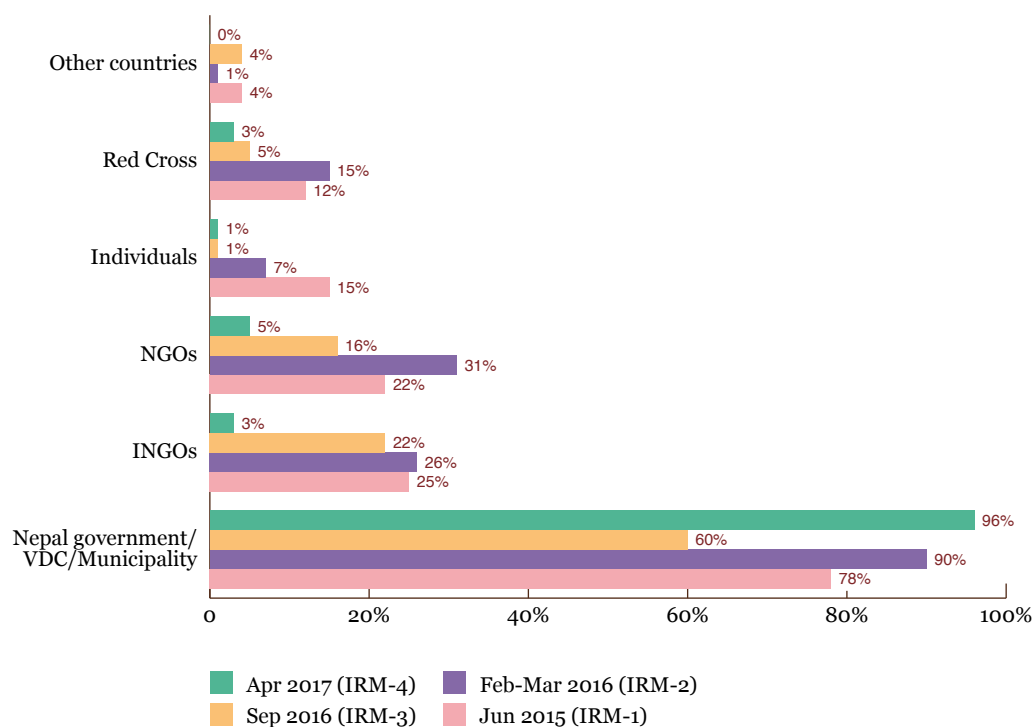
markedly over time. For example, while 33% of people in the crisis hit districts said they needed no aid in IRM-4, this is a reduction from 65% at the time IRM-1 was conducted.

**Who is providing aid?**

***The government continued to be the top aid provider.***

The government has been the top aid provider since the earthquakes struck (Figure 3.3). In each survey, those who received aid were asked who they got the aid from. In IRM-4, almost everyone who received aid (96%) received aid from the government. NGOs were a consistent aid provider until IRM-4, with about one-quarter of aid recipients naming them as the source of aid in earlier surveys. INGOs were most active in the period between June 2015 and February 2016 (31% IRM-3). Individual donations accounted for 15% of aid received in the early response period (IRM-1), but it shrunk to 7% by IRM-2 and was only 1% of the aid provided in both IRM-3 and IRM-4. The Red Cross was also named as an aid provider in IRM-1 (12%) and IRM-2 (15%), but fewer mentioned it in later surveys.

**Figure 3.3:** Source of aid amongst those who received aid (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



Among those who received aid since the 2016 monsoon, cash (39%) was the most cited aid item received. Other items such as tarps (4%), food (3%)

and corrugated iron sheets (1%) were mentioned far less frequently.



### Case Study 3.1: A single woman unable to rebuild

Khayuri is a 50-year-old single woman from Baruwa VDC in Sindhupalchowk. Her husband went to India more than 15 years ago and never came back. Her house was completely damaged during the earthquake. She owns some land but says she cannot rebuild, as she has neither money nor the help needed for construction.

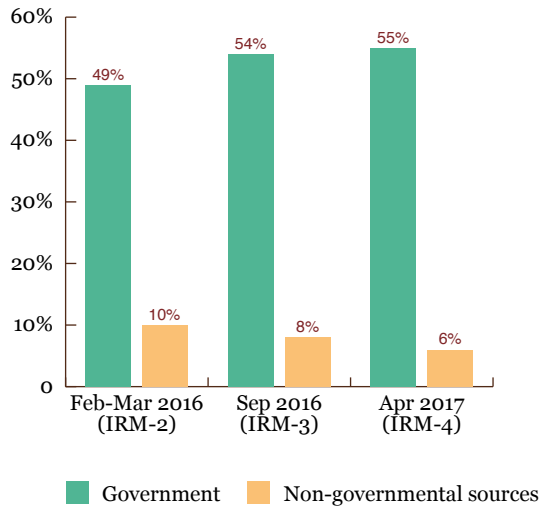
“I have a wish to build a house, but I will need a loan and who will believe me? I am alone, I don’t have a son or husband so no-one will give me a loan.” Khayuri has a daughter but they

live separately and she says that her daughter cannot help her to build a new house.

Khyauri received the first installment of the housing reconstruction cash grant but is currently unable to use it. She said it took her a whole day to go to the bank in Melamchi and receive the amount in her bank account. “I have not even brought the cash home,” she added, “it is in the bank. I can’t build the house now so it is of no use bringing the money here. I plan to use it sometime later to rebuild the house when I can manage.”

### How much money have people received to date?

**Figure 3.4:** Share receiving cash from the government and non-governmental sources (IRM-2, IRM-3, IRM-4, weighted)



***The share of people receiving cash from the government increased only slightly suggesting that the housing grant was generally targeted at those who previously received cash from the government.***

IRM-4 collected data on how much cash assistance in total people had received since the earthquakes, either from the government or from non-governmental sources. By April 2017, 55% of people in earthquake-affected areas had received cash from the government

and 6% from non-governmental sources (Figure 3.4). In earlier surveys, a slightly smaller share said they had received aid from the government and a similar share said they had received cash from non-governmental sources. This suggests that most government cash has been targeted at those who previously received it, although there are some new beneficiaries, while there has been little non-government cash going to new people.<sup>22</sup>

Among those who have received cash grants, those in earthquake-affected areas say they have received on average NPR 56,845 from the government since the earthquakes struck and NPR 13,082 from non-governmental sources. In eight of the eleven surveyed districts—all except Lamjung, Solukhumbu and Syangja—the first tranche of the cash grant (NPR 50,000) was provided before April 2017 when the survey was conducted. This is reflected in the cumulative amounts people say they have received from the government in the nine districts, which all exceed NPR 50,000, with the exception of Okhaldhunga. In contrast, government cash recipients in the districts where the housing grant had not yet been rolled out have received far less, with the exception of Solukhumbu where people have received more. Since the earthquakes, the largest amount of non-governmental cash by far has gone to Solukhumbu according to IRM-3 data, although reported amounts received declined in IRM-4.

<sup>22</sup> The reduction in people who say they have received cash from non-government agencies over time suggests that people are forgetting about earlier assistance from non-government providers.

## 3.2 People's needs in earthquake-affected areas

### What are current needs?

**Cash and items to reconstruct houses remain the most common stated needs.**

Cash (69%) and items to reconstruct people's houses (30%) were most frequently stated as current priority needs by survey respondents. Other items mentioned included clean drinking water (9%), rice, wheat and maize (7%), and corrugated iron sheets, clean water for household purposes and farm implements (6% each).<sup>23</sup> Some changes in needs were observed. Cash has been the top priority need since the earthquake, and the share mentioning cash as either a current or future need has continued to grow (38% IRM-1 present to 69% IRM-4 present). Reconstruction material was the second most cited item with similar shares mentioning it as a need in IRM-3 and IRM-4. Corrugated iron sheets (37%), considered equally necessary to cash (38%) in IRM-1, were not a high priority by IRM-2. The stated need for rice, maize and wheat also declined. Slightly higher shares mentioned

farm implements and clean water for drinking and for household purposes as needs in the most recent survey (IRM-4) compared to earlier ones.

Strong majorities expressed a need for cash across all districts in IRM-4, but it was highest in the severely hit districts (89%) – Table 3.1. For other most commonly cited needs, too, higher shares in the severely hit districts mentioned them compared to less impacted districts.

Those interviewed for the qualitative research also mentioned the need for better information on aid in general and the housing grant process, in particular, as well as on resettlement plans and the outcomes of geological land assessments. Other needs frequently mentioned by key informants were better access to masons and engineers and improved road infrastructure to transport materials.

**Table 3.1:** Most mentioned current needs – by district impact and district (IRM-4, weighted)

	Cash	Items to reconstruct house	Clean drinking water	Rice, wheat, maize	Farm implements	Corrugated iron sheets	Clean water for household purposes
<b>Severely hit</b>	<b>89%</b>	<b>46%</b>	<b>13%</b>	<b>14%</b>	<b>13%</b>	<b>11%</b>	<b>10%</b>
Dhading	97%	27%	7%	3%	0%	6%	15%
Gorkha	86%	41%	9%	25%	9%	9%	7%
Nuwakot	85%	65%	21%	15%	41%	15%	8%
Ramechhap	96%	52%	18%	8%	4%	9%	4%
Sindhupalchowk	81%	52%	15%	18%	14%	16%	13%
<b>Crisis hit</b>	<b>59%</b>	<b>22%</b>	<b>8%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>5%</b>
Bhaktapur	65%	13%	6%	5%	4%	1%	1%
Kathmandu	56%	22%	8%	1%	1%	0%	6%
Okhaldhunga	78%	37%	7%	14%	8%	23%	2%
<b>Hit with heavy losses</b>	<b>64%</b>	<b>33%</b>	<b>1%</b>	<b>6%</b>	<b>8%</b>	<b>15%</b>	<b>1%</b>
Lamjung	47%	31%	0%	4%	11%	13%	0%
Solukhumbu	94%	37%	3%	10%	3%	18%	3%
<b>Hit</b>	<b>69%</b>	<b>19%</b>	<b>2%</b>	<b>9%</b>	<b>5%</b>	<b>6%</b>	<b>1%</b>
Syangja	69%	19%	2%	9%	5%	6%	1%
<b>All districts</b>	<b>69%</b>	<b>30%</b>	<b>9%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>

**Those in remote areas, in temporary shelters and with lower incomes were more likely to say they need cash.**

The need for cash increases sharply with remoteness. Those in less remote areas (19%) were far less likely to mention items to reconstruct their house than people

living in more remote and remote areas (40% and 45%, respectively).

<sup>23</sup> Respondents could mention up to three different items. Therefore, percentages add up to more than 100%.

Those in temporary shelters, or living in a neighbor's house, were also far more likely than those in their home to say they need cash. Those still living in self-constructed shelters on other people's land (64%) were the most likely to mention items to reconstruct house. Three in 10 living in their own house (30%) and renting (28%) said they did not need any relief items while almost no-one (between 0% and 1%) living elsewhere said this.

The stated need for all items declines with income. For instance, 84% with a low pre-earthquake income said they require cash compared to 67% in the medium income category and 56% in the high income one. Though over six in 10 in any caste group mentioned cash as a future need, Janajatis and those in lower caste groups were more likely to say cash is a top future need. The pattern was similar for other items. Similar shares of women and men mentioned any of the top priority items as a future need. Stated needs among those with and without a disability were similar.

### 3.3 Satisfaction with aid distribution and communication

***Levels of satisfaction with aid providers remained lower compared to the early months after the earthquakes with few changes between September 2016 (IRM-3) and April 2017 (IRM-4).***

Satisfaction with most aid providers remained at a similar level to September 2016 (Table 3.2). Satisfaction levels were highest in the immediate aftermath of the earthquakes and stayed high for most providers through February 2016. There was then a sharp drop by IRM-3.

In the IRM-4 survey, people expressed the highest level of satisfaction with the police (56%), army (55%) and the armed police force (53%), even though these bodies were active only in the early response

period. People showed lower levels of satisfaction with political parties (23%), religious groups (26%) and private business groups (29%). Satisfaction with the central government increased slightly but remains below levels seen in the first year after the earthquakes.

In the survey, levels of satisfaction with INGOs and NGOs stayed the same between IRM-3 and IRM-4. In the qualitative research, however, rising levels of satisfaction with I/NGOs were observed in IRM-4 compared to the previous research round. I/NGOs had become more active in reconstruction by IRM-4 with many providing masonry trainings, technical assistance and helping rebuild some houses. This was assessed positively, especially in contrast to the central government, which most saw as being too slow in providing cash and other assistance.

**Table 3.2:** Proportion satisfied with aid providers (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

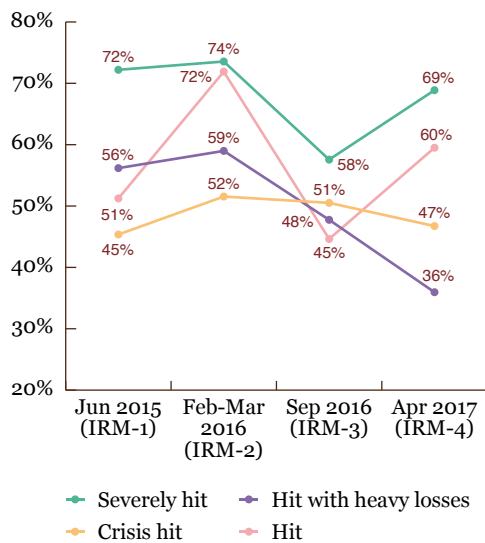
	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Central government	56%	51%	40%	43%
Nepal army	90%	83%	48%	55%
Police	90%	82%	51%	56%
Armed police force	88%	80%	47%	53%
Political parties	36%	26%	21%	23%
Local administration centers	33%	60%	43%	36%
INGOs	75%	73%	39%	39%
NGOs	69%	70%	41%	41%
Local community organizations	63%	66%	49%	49%
Private business groups	53%	51%	29%	29%
Foreign governments	72%	67%	40%	40%
Religious groups	51%	53%	26%	26%

### Fairness of aid distribution

**The percentage of people saying they believe that all can get aid according to their needs remained similar. Those who disagreed thought that low castes, Janajatis and the disabled were getting less aid.**

People in the severely hit districts have consistently been the most likely to agree with the statement that VDCs/municipalities have been distributing aid fairly (Figure 3.5). Those in crisis hit districts have been most uniform in their views over time with around one-half agreeing that aid distribution has been fair. A majority in the hit with heavy losses districts believed that aid distribution had been fair until February 2016, but the share saying so declined in September 2016 and by April 2017 was at 36%.

**Figure 3.5:** Change in the share of people who agree that VDCs/municipalities have been distributing aid fairly – by district impact (IRM-1, IRM-2, IRM-3, IRM-4 household panel, unweighted)

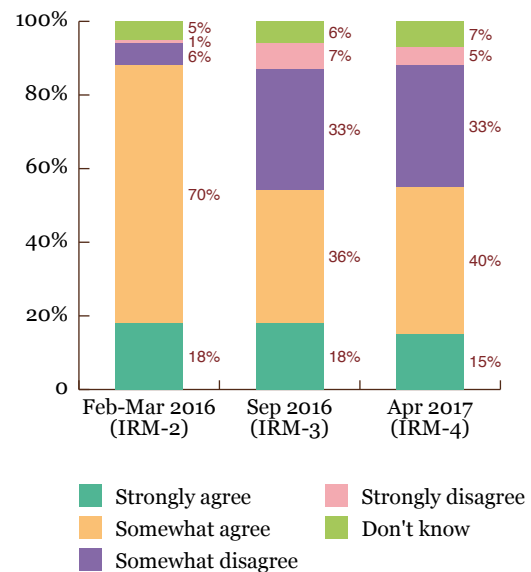


Across caste groups, there have been differences in perceptions of the fairness of aid distribution in the last three surveys: in IRM-2 high caste people were less likely to say aid distribution had been fair; in IRM-3 and IRM-4, those of lower caste were the least likely to think so. Those with a high pre-earthquake income have been consistently less likely than people with lower incomes to think that aid distribution has been fair. There is little difference in perceptions of fairness of aid distribution between women and men.

Since IRM-2, people in earthquake-affected areas have been asked whether they think everyone is able to receive aid equally according to their needs. In general,

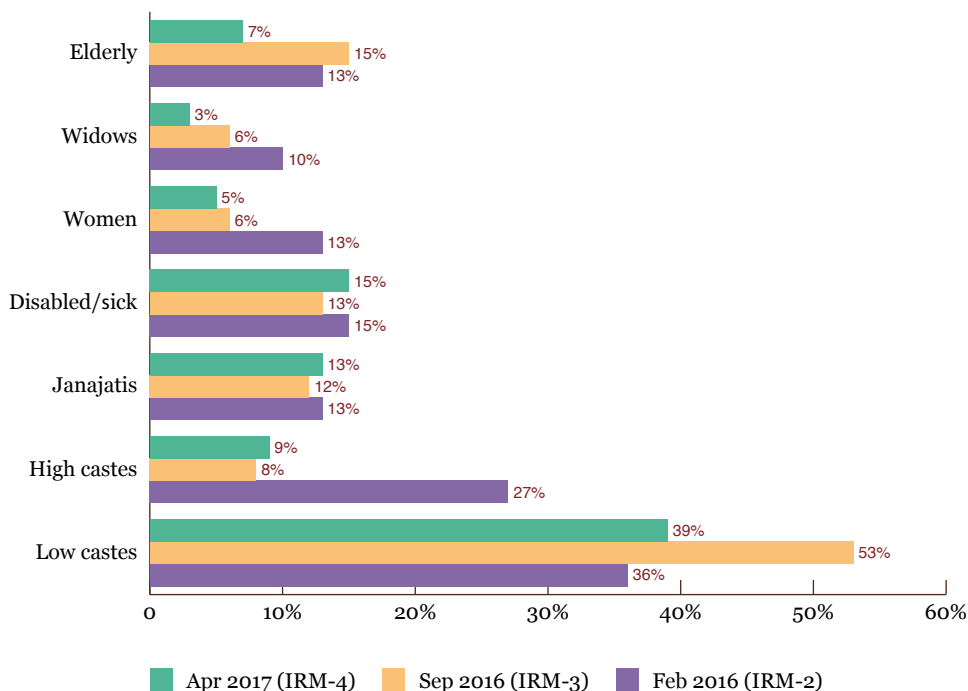
people agree that everyone is able to equally access aid according to their needs. However, compared to IRM-2, the share saying that they agree nearly halved in IRM-3 (88% to 54%). Results in IRM-3 and IRM-4 were similar (Figure 3.6).

**Figure 3.6:** Opinions on whether all can get aid equally according to their needs (IRM-2, IRM-3, IRM-4, weighted)



Those who said that they either strongly or somewhat disagreed with the statement that everyone is able to access aid equally were asked which groups they thought tended to get less aid. Those belonging to low castes have always been the group cited most frequently (36% IRM-2, 53% IRM-3, 39% IRM-4) – Figure 3.7. Similar shares have mentioned Janajatis or the disabled and people who are sick. Compared to IRM-2, widows, elderly and women are mentioned less in IRM-3 and IRM-4. Notably in IRM-2, people of higher caste were mentioned as a group that tended to get less aid (27%) and even in IRM-4 they were slightly more likely to be named than either women or the elderly.

**Figure 3.7:** Groups that people think tend to get less aid among those who say not everyone is able to get aid equally (IRM-2, IRM-3, IRM-4 weighted)



### Aid communication

**Neighbors, the radio and VDC secretaries remained the primary sources of information on aid.**

In the survey, seven in 10 people said that neighbors were a primary source of information on earthquake aid. Four in 10 mentioned the radio and one-quarter said the VDC secretary. The Ward Citizens’ Forum

(15%) and political parties (7%) were also mentioned relatively frequently. While neighbors remain the top source of information, the share mentioning the radio has gone up 12 points since IRM-3 (Table 3.3). In the qualitative research, neighbors and family were also found to be the main source of information on aid, especially on the housing grant, alongside VDC offices, social mobilizers, engineers and the radio.

**Table 3.3:** Top five sources of information on aid – by district impact and district (IRM-3, IRM-4, weighted)

	Neighbor		Radio		VDC secretary		Ward Citizens’ Forum		Political party	
	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017
<b>Severely hit</b>	<b>82%</b>	<b>81%</b>	<b>29%</b>	<b>33%</b>	<b>39%</b>	<b>40%</b>	<b>36%</b>	<b>23%</b>	<b>10%</b>	<b>7%</b>
Dhading	82%	92%	28%	55%	25%	39%	41%	27%	5%	4%
Gorkha	84%	75%	29%	14%	37%	21%	37%	15%	9%	5%
Nuwakot	99%	73%	44%	36%	58%	67%	19%	9%	7%	15%
Ramechhap	72%	85%	28%	31%	57%	27%	26%	15%	17%	3%
Sindhupalchowk	73%	79%	15%	24%	29%	45%	53%	43%	14%	8%
<b>Hit with heavy losses</b>	<b>80%</b>	<b>71%</b>	<b>51%</b>	<b>29%</b>	<b>19%</b>	<b>39%</b>	<b>3%</b>	<b>8%</b>	<b>21%</b>	<b>19%</b>
Bhaktapur	90%	69%	25%	36%	9%	15%	11%	16%	5%	1%



	Neighbor		Radio		VDC secretary		Ward Citizens' Forum		Political party	
	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017	Sep 2016	Apr 2017
Kathmandu	85%	70%	28%	53%	11%	13%	11%	13%	1%	3%
Okhaldhunga	62%	84%	23%	42%	62%	47%	19%	2%	14%	3%
<b>Crisis hit</b>	<b>84%</b>	<b>71%</b>	<b>28%</b>	<b>50%</b>	<b>14%</b>	<b>15%</b>	<b>12%</b>	<b>13%</b>	<b>2%</b>	<b>2%</b>
Lamjung	74%	70%	47%	23%	22%	43%	4%	4%	28%	24%
Solukhumbu	92%	72%	58%	39%	12%	32%	1%	16%	9%	12%
<b>Hit</b>	<b>62%</b>	<b>60%</b>	<b>50%</b>	<b>46%</b>	<b>38%</b>	<b>15%</b>	<b>4%</b>	<b>1%</b>	<b>11%</b>	<b>7%</b>
Syangja	62%	60%	50%	46%	38%	15%	4%	1%	11%	7%
<b>All districts</b>	<b>82%</b>	<b>73%</b>	<b>31%</b>	<b>43%</b>	<b>24%</b>	<b>25%</b>	<b>18%</b>	<b>15%</b>	<b>7%</b>	<b>5%</b>

\*Multiple responses are allowed so numbers do not add up to 100%

**People were most satisfied with local community organizations on how they communicate about aid.**

Of the different aid providers asked about in IRM-4, local community organizations (56%), the police (53%), the army (52%), and the armed police force (50%) received positive reviews on how they have communicated about aid – Table 3.4. People were

most likely to be dissatisfied with local political parties (54%). Satisfaction with local community organizations is up 7 points since IRM-3, and it is up slightly for the army, the armed police force, and private businesses as well. Levels of dissatisfaction have either stayed the same or declined, with more people now unsure how to rate the various aid providers on how they have communicated about aid.

**Table 3.4:** Satisfaction with how aid providers have communicated about aid (IRM-3, IRM-4, weighted)

	Sep 2016 (IRM-3)		Apr 2017 (IRM-4)	
	Satisfied	Unsatisfied	Satisfied	Unsatisfied
Central government	40%	50%	41%	41%
Nepal army	48%	37%	52%	23%
Police	51%	34%	53%	23%
Armed police force	47%	37%	50%	23%
Local political parties	21%	67%	25%	54%
Local administration centers	43%	45%	36%	43%
INGOs	39%	43%	34%	26%
NGOs	42%	43%	36%	27%
Local community organizations	49%	37%	56%	23%
Private businesses	31%	50%	34%	31%
Foreign governments	34%	38%	30%	26%
Religious groups	27%	42%	28%	27%

The survey also looked at whether people felt comfortable approaching different providers to either receive information or lodge a complaint. In both IRM-3 and IRM-4, most thought that ease of communication with various aid providers was bad or at best okay.

In April 2017, the central government (48% bad), INGOs (47%), and foreign governments (51%) were the most likely to be rated poorly. People also rated these bodies poorly in IRM-3, but now fewer people held negative views than in the past (e.g. INGOs 63%

bad in IRM-3, 47% bad in IRM-4). People were most positive about local community organizations, the police and local administration centers.

### 3.4 The damage assessment and housing grants

#### The Central Bureau of Statistics (CBS) damage assessment

***Satisfaction with the damage assessment was higher in severely hit districts and among those whose house had been listed as fully damaged.***

Across all districts, most people were either very (38%) or somewhat satisfied (43%) with how their house was classified in the most recent damage assessment. Relatively few said that they were somewhat (9%) or very unsatisfied (7%). Satisfaction rates were higher in the

severely hit districts where a far larger share of houses were declared fully damaged (Table 3.5). Within these districts, people were most likely to be dissatisfied in Gorkha (16% dissatisfied), the severely hit district that had the lowest share of house identified as fully damaged (84%). Levels of dissatisfaction were higher in the hit with heavy losses and hit districts – 26% and 23%, respectively. Lamjung, where almost half of people say their house was classified as not being damaged, had the highest rate of dissatisfaction (49%).

**Table 3.5:** Satisfaction with the most recent housing damage assessment – by district and district impact (IRM-4, weighted)

	Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know
<b>Severely hit</b>	<b>56%</b>	<b>34%</b>	<b>4%</b>	<b>4%</b>	<b>2%</b>
Dhading	74%	18%	2%	4%	2%
Gorkha	47%	34%	9%	7%	3%
Nuwakot	59%	36%	1%	2%	2%
Ramechhap	32%	58%	4%	5%	1%
Sindhupalchowk	52%	40%	3%	4%	1%
<b>Crisis hit</b>	<b>23%</b>	<b>51%</b>	<b>12%</b>	<b>9%</b>	<b>6%</b>
Bhaktapur	54%	34%	9%	1%	2%
Kathmandu	12%	59%	12%	12%	5%
Okhaldhunga	32%	29%	12%	4%	24%
<b>Hit with heavy losses</b>	<b>26%</b>	<b>46%</b>	<b>21%</b>	<b>5%</b>	<b>2%</b>
Lamjung	17%	40%	30%	9%	3%
Solukhumbu	33%	51%	13%	1%	1%
<b>Hit</b>	<b>12%</b>	<b>55%</b>	<b>10%</b>	<b>13%</b>	<b>10%</b>
Syangja	12%	55%	10%	13%	10%
<b>All districts</b>	<b>38%</b>	<b>43%</b>	<b>9%</b>	<b>7%</b>	<b>4%</b>

Few people who said their house was classified as fully damaged were dissatisfied (6%) with the classification. In contrast, 35% of those who said their house was classified as not damaged/normal, and 41% of those whose house was classified as being partially damaged,

were dissatisfied with their damage categorization. People whose house was classified as partially damaged were slightly more likely to be very unsatisfied (18%) compared to those who were classified as having undamaged (12%) or fully damaged (2%) houses.

#### The Rural Housing Reconstruction Program (RHRP): distribution, access and eligibility

***Nearly all of those who were declared eligible for the RHRP grant had received the first installment by April 2017.***

By the time IRM-4 was conducted in April 2017, the first tranche of the RHRP housing grant had gone out in the severely hit and crisis hit districts that were sur-

veyed. Provision of the first tranche of the grant in the other districts—Solukhumbu, Lamjung and Syangja—only began in late April 2017 and was thus not covered in the survey. The qualitative research did not find any evidence of security concerns, protests or other major concerns regarding the distribution process. The first installment was primarily distributed via banks at the

district headquarters and in other market hubs. No mobile banks had been deployed to VDCs visited but in Okhaldhunga a helicopter was arranged to transport the cash to remote VDCs.

The IRM-4 survey data show that the vast majority of people who say they were declared eligible for the grant received the first tranche. People who said they were declared eligible in Kathmandu and Dhading were the most likely to say they have not received the first tranche (19% and 14%, respectively) – Table 3.6.

Receipt of the housing grant continues to be defined as deposit in the beneficiary bank account and there is no official data on who has actually withdrawn the money. The qualitative research found that most beneficiaries had indeed been able to access their first installment but some had not, either choosing to save the money in their account or being unable to travel to the bank due to long distances, illness or being away.

***The majority of beneficiaries found it easy or at least somewhat easy to access their first installment of the housing grant but challenges around access persisted with around 20% finding it difficult. Common reasons for difficulties in accessing banks were delays in processing documentation at the VDC office, missing documentation, and long travel distances/remoteness.***

Those who had received the first tranche of the NRA grant were asked how easy they thought it was to receive it. Twenty-eight percent said it was very easy and 51% said it was somewhat easy with 15% saying it was somewhat difficult and 15% very difficult (Table 3.7). Those in Kathmandu (43%) were the most likely to say they had difficulties accessing the grant and difficulties were also relatively common in Sindhupalchowk, where 22% found it difficult.

**Table 3.6:** Share who received the first tranche of the RHRP grant among those who say they were declared eligible – by district impact and district (IRM-4, weighted)

	Got NRA grant	Did not get NRA grant
<b>Severely hit</b>	<b>93%</b>	<b>7%</b>
Dhading	86%	14%
Gorkha	94%	6%
Nuwakot	96%	4%
Ramechhap	97%	3%
Sindhupalchowk	97%	3%
<b>Crisis hit</b>	<b>85%</b>	<b>15%</b>
Bhaktapur	94%	6%
Kathmandu	81%	19%
Okhaldhunga	95%	5%
<b>All severely hit and crisis hit districts</b>	<b>90%</b>	<b>10%</b>

**Table 3.7:** Ease of getting first tranche of NRA grant – by district impact and district (IRM-4, weighted)

	Very easy	Somewhat easy	Somewhat difficult	Very difficult
<b>Severely hit</b>	<b>36%</b>	<b>50%</b>	<b>11%</b>	<b>3%</b>
Dhading	70%	18%	7%	4%
Gorkha	44%	42%	9%	4%
Nuwakot	5%	87%	6%	1%
Ramechhap	26%	59%	13%	1%
Sindhupalchowk	28%	51%	17%	5%
<b>Crisis hit</b>	<b>15%</b>	<b>52%</b>	<b>24%</b>	<b>10%</b>
Bhaktapur	19%	64%	11%	6%
Kathmandu	10%	47%	30%	13%
Okhaldhunga	34%	53%	11%	2%
<b>All severely hit and crisis hit districts</b>	<b>28%</b>	<b>51%</b>	<b>15%</b>	<b>6%</b>

Delays from the VDC (50%) and not having documentation (46%) were the two top reasons given by people who found it either somewhat or very difficult to get the first tranche of the NRA grant. Other reasons include: remoteness/distance (20%), not understanding the rules (19%), high expenses incurred (11%), delays

from the bank (9%) and conflicts related to damage estimation (1%). People living in less remote areas (32%) were far more likely to have found it difficult to get the first tranche of the housing grant compared to those in remote (16%) and more remote (17%) areas.

The qualitative research helps explain why some of those who were eligible had still not received the first installment. In seven out of nine VDCs visited for the qualitative research where the first installment had been distributed, fewer people had received the first installment than were listed as beneficiaries (the shortfall ranged from 3 to 40 people in the VDCs visited). The most common reasons for this were the house owner being away or missing documentation such as missing landownership certificates. As reported in IRM-3, beneficiaries also sometimes had difficulties opening bank accounts and accessing the first installment due to mistakes that had happened while entering beneficiary details in lists or the cash grant agreement forms. The most common mistakes were spelling mistakes and mistakes in the citizenship certificate or household number. If the details on the ID card, the cash grant agreement form and the beneficiary list did not match, beneficiaries were not allowed to access the first installment. Many had to make corrections to their documentation, which often required several days to visit various offices at the VDC and district levels.

Long travel distances to access banks not only meant increased costs but also security risks along the way. It was common in VDCs visited for beneficiaries to jointly rent buses or trucks to transport them or to walk in groups. There were no reports of robberies in VDCs visited but two people drowned in a river in Sindhupalchowk while returning from the bank. One of them, an old man, was from Baruwa VDC. In Sindhupalchowk, it was also pointed out that with many household heads being women, as men tend to work abroad, it was also common for women to have to travel to banks.

***Access to the first installment was more complicated for those trying to receive the cash grant on behalf of a listed beneficiary.***

Although the cash grant can be received by someone other than the listed beneficiary if he or she nominates someone else in the household by power of attorney, the process is more difficult in such cases. Additional documentation in the form of a recommendation letter from the VDC office, verified by the DDC is needed. In Baruwa VDC, Sindhupalchowk, 11 nominees received the first installment after the VDC Secretary called on political parties to verify nominees and decide on who should receive a recommendation letter. Yet, in most other VDCs, households where the listed beneficiary is absent were unable to access the cash grant despite the special provisions for such cases. In Syaule VDC, Sindhupalchowk, 11 nominee women whose husbands were abroad did not hear back from the DDC despite the VDC Secretary forwarding their forms. In Baruneshwor, Okhaldhunga, a young man trying to rebuild the family home was denied access

to his father's cash grant as his father, the listed beneficiary, was abroad.

***Many of those declared non-eligible believe they should have been eligible for the grant as their houses were completely or badly damaged.***

People not declared eligible for the grant were asked whether they thought they should have been eligible. Eighty-two percent of people surveyed in the severely hit districts who said they were not declared eligible believed they should have been. In the crisis hit districts, the proportion was 29%, with the exception of Okhaldhunga (71%). In September 2016 (IRM-3) and April 2017 (IRM-4), qualitative researchers encountered many households in all districts visited who seemed to have been wrongly excluded from the beneficiary lists and were dissatisfied with the lack of clarity on the assessment and eligibility criteria.

The share believing they should have been eligible increases with remoteness: 29% in less remote areas, 42% in remote areas and 70% in more remote areas hold this view. Low income and low caste people who were declared ineligible are far more likely to think this was a mistake than others. Widows are also more likely to say they should have been eligible.

Some of these perceptions on unfair exclusion from the RHRP are a result of misunderstanding of the eligibility criteria. The program is only meant to cover those whose house was significantly impacted by the earthquakes. However, 33% of those who felt they were unfairly excluded reported that their house only needed minor repairs.

***Those wrongly excluded from beneficiary lists generally had not yet received their first installment even if they had filed a grievance form.***

Most grievances were yet to be processed or the results of grievance processing had yet to be communicated to concerned households. Yet, those whose grievance had been approved had also still not received the first installment of the grant. They were informed that they would be able to complete the cash grant agreement process only after the local elections.

## Information and awareness

***The majority of those declared eligible for the housing grant knew about increases in the size of the grant.***

The grant amount for the RHRP was increased to NPR 300,000 from an initially planned NPR 200,000. Overall, 79% of people said they are aware that the grant size had increased.<sup>24</sup> Awareness of the increase in the size of the housing grant declines with levels of earthquake impact: 90% in the severely hit districts know about the increase, compared to 79% in the crisis hit districts, and just over half in the hit with heavy losses (52%) and hit districts (50%). This is likely due to more people in more affected areas being eligible for the grant and thus following information on it.

Knowledge of the increase in the grant is closely tied to grant eligibility. Those declared eligible for the NRA grant were more likely than those who were not to know of the change (92% to 67%). Similarly, among those declared grant eligible, those who had actually received the grant (92%) were slightly more likely than those who say they have yet to receive it (87%) to know of the increase in grant amount.

***Around half of those who received the first installment of the housing grant said they were unaware of the requirements for the second tranche.***

Receiving the second tranche of the RHRP grant is conditional upon meeting certain criteria. We asked people who got the first tranche (90% of those declared eligible for it) whether or not they knew what the requirements for getting the second tranche are.<sup>25</sup> Similar shares of the recipients of the first tranche said they knew (47%) or were unaware (50%) of the requirements for the second tranche. Just over half of those in the severely hit districts (54%) knew of the requirements, while six in 10 in the crisis hit districts say they did not know what the requirements were (Table 3.8). Ramechhap and Nuwakot residents were the most likely (64% each), and those in Bhaktapur (24%) the least likely, to know of these requirements. Of the severely hit districts, Sindhupalchowk was the only district where the share unaware of the requirements was higher than those who know of it.

<sup>24</sup> This includes all people, not just those declared eligible for the RHRP grant.

<sup>25</sup> The analysis only includes people in severely hit and crisis hit districts where the first tranche had been disbursed at the time of the IRM-4 survey.

**Table 3.8:** Knowledge of requirements to get the second tranche of RHRP grant among those who got the first tranche – by district impact and district (IRM-4, weighted)

	Yes	No	Don't know
<b>Severely hit</b>	<b>54%</b>	<b>43%</b>	<b>3%</b>
Dhading	50%	46%	4%
Gorkha	54%	40%	6%
Nuwakot	64%	35%	1%
Ramechhap	64%	32%	4%
Sindhupalchowk	44%	54%	1%
<b>Crisis hit</b>	<b>33%</b>	<b>62%</b>	<b>4%</b>
Bhaktapur	24%	71%	4%
Kathmandu	35%	60%	5%
Okhaldhunga	41%	59%	0%
<b>All severely hit and crisis hit districts</b>	<b>47%</b>	<b>50%</b>	<b>4%</b>

***Earthquake affected people interviewed in the qualitative research said they needed better and more timely information on the housing cash grant process, in particular on grievances, building requirements and access to soft loans.***

The lack of information and resulting confusion about the housing grant process were of concern for most beneficiaries and key stakeholders. In particular, there was a lack of clarity about the timeline for the distribution of the second installment, grievances, building codes and retrofitting options, and access to credit and soft loans. Residents interviewed in the VDCs visited had sometimes heard about the soft loans designed specifically for earthquake affected households but generally said they did not know where and how to access them or feared they did not have enough collateral. Researchers did not meet or hear of anyone who had been able to access these loans. While during previous research rounds, people still had hope that they would receive special loans from the government – many even took loans at high interest rates in the expectation that they would soon be able to repay them by taking an interest-free loan from the government – by IRM-4, they had become more skeptical. A Dalit in Barpak VDC, Gorkha, said, “a government loan is a very distant reality for earthquake victims. It is very uncertain whether the government will provide loans to earthquake victims since they have not even distributed the second installment yet.” A teacher in Sindhupalchowk said, “the soft loans for reconstruction are just a rumor. No bank will ever provide such loans.”

Confusion about government-approved building designs was common. Beneficiaries frequently reported



having been given contradictory advice. Those who had already rebuilt on their own or with non-governmental assistance were often unsure whether they would qualify for the housing grant. Others said they received contradictory advice from engineers during the inspection process or no technical guidance at all and were therefore unsure how to build. For example, in some locations the instructions given by government and non-government engineers differed, while in other areas, people had not received any advice on whether and how they could adjust the building codes to local cultural and practical needs, how much distance to keep from roads, or whether they could repair/retrofit their house. Those who had already rebuilt but had failed the inspection process had also not yet been given any information on the outcome of the inspection process and consequences as, at the local level, there were expectations that building requirements would be adjusted in the near future and more would retrospectively qualify despite minor violations of the building codes.

Most of those who had filed complaints also remained uncertain about what had happened to their grievance forms and whether they would eventually receive the cash grant. Nearly all of the citizens interviewed who had filed complaints had not yet received any further information. “Nothing has happened to our grievances filed. I don’t even know whether it will be addressed or not. I don’t have any hope now,” said a resident of Lisankhu VDC, Sindhupalchowk. Similarly, a resident of Dhuwakot VDC, Gorkha, said, “I am unaware whether my grievance was heard by the government. I have received no information from the VDC or local leaders.” Those whose complaints had either been approved or rejected generally knew about the outcome but, as mentioned above, those added to the beneficiary lists had not yet received their first installment.

## Impact and use of the grant to date

***The distribution of the first installment of the housing grant was a key factor in increasing reconstruction efforts in late 2016 and early 2017. This positive impact was offset by the slow distribution of and uncertainty about who would qualify for further installments.***

The qualitative research observed a clear increase in reconstruction efforts between September 2016 and April 2017. The distribution of the first tranche of the housing reconstruction grant, as well as suitable weather for construction during the winter months, were generally credited for this. As such, the grant did encourage the rebuilding of homes. Yet, the initial impact of the distribution of the first installment on reconstruction did not last as many of those who had begun rebuilding after receiving the first installment did not continue, primarily due to delays in and uncertainty around the distribution and eligibility for the second installment. Overall, progress in reconstruction remained slow and many were not following the government’s guidelines.

***A majority of people who said they had received the first tranche of the housing grant said they had done nothing to start (re) building.***

Fifty-eight percent of those who said they got the grant also said they had not started (re)building, compared to 68% who did not get grant (Table 3.9). Those who did not receive the grant were slightly more likely (20%) than those who did (13%) to have fully repaired/rebuild house and live in it. Previous IRM research rounds found that people who were declared eligible for the grant often rebuilt slower as they were waiting for or require further tranches of the grant to finish rebuilding.

**Table 3.9:** Whether people have started rebuilding homes – by whether or not they received the first tranche (IRM-4, weighted)

	House was not damaged or completely destroyed	Have done nothing to rebuild it/build new house	I have fully repaired/rebuilt my house and I live in it now	I have built a new house	I have partly rebuilt/built a new house. It is not yet finished but I live in it	I have started to rebuild/build a new house but it is not yet livable
Got NRA grant	1%	58%	13%	6%	10%	12%
Did not get NRA grant	1%	68%	20%	1%	6%	4%

Grant recipients in the more affected severely hit districts were less likely than those in the crisis hit districts to have started rebuilding – Table 3.10.

People in Dhading and Sindhupalchowk were the least likely to have started rebuilding.

### Case Study 3.2: Man Bahadur's struggle to rebuild

Man Bahadur Tamang, from Katunje VDC in Okhaldhunga, has rebuilt his house, but the process was not easy. For Man Bahadur, his was a story of *gunaso* (grievance).

After the earthquakes, Man Bahadur lived in a temporary shelter, like many others in the VDC. But the people in the shelter often got sick during the winter and monsoon and were unable to keep their food safe from dogs, cats and wild animals. "We lived in fear, fear of snakes, frogs, leeches. So, even if it meant going into debt, I was determined to rebuild my house as soon as possible." Man Bahadur wanted to begin rebuilding right away but said he was told to wait for the first installment of the housing cash grant. Immediately after receiving it, he began construction and he completed the house before receiving the subsequent installments of the housing grant.

Man Bahadur spent nearly five lakhs (NPR 500,000) on a two-room house. Firstly, he had to pay for the labor. Due to the shortage of construction workers in Okhaldhunga, Man Bahadur had to go far, to three different locations, in search of masons. Four masons and three construction laborers, each charging NPR 1,000 daily, worked on the house during the construction phase, alongside family members. In addition to their wages, he had to pay for three meals a day, alcohol and, twice a month, meat for the laborers.

Secondly, the cost of construction materials and the transportation of these materials to his house was high. The lack of road access to Man Bahadur's house meant that there were additional costs for carrying materials. Since the transportation of sand for cement and stones or bricks would have been too expensive, Man Bahadur decided to build a mud-mortar-wood house. Hiring a tractor to transport sand to the nearest road would have cost him at least NPR 6,000 and from there he would have had to hire porters to carry the sacks of sand one by one to his house, which is one day's walk from the road. But he still had to buy corrugated iron sheets for his roof, which cost him NPR 81,000 plus around NPR 5,000 to hire a vehicle and porters to transport the sheets up to his house.

Man Bahadur had to borrow around NPR 254,000 from family and friends to build his house. In addition, two of his sons who were working in India sent around NPR 200,000 and he also spent the NPR 50,000 first installment of the housing cash grant. Man Bahadur explained, "I still have some minor expenses now [such as a religious ceremony for the new house]. I have filled the form for the second installment, but I am not sure when I will receive it. Since I have completed my house, it would be easier for me if I received all the remaining installments in one go. I have run into debt."

For technical assistance, Man Bahadur had to actively seek out engineers and bring them to his house from far away. At first, Man Bahadur had to go to a settlement an hour's distance from his house to consult an engineer and bring him to his construction site. He showed the engineer his newly laid foundations and asked for advice on how to continue building. "After I consulted the engineer, I began constructing my house [...]. The engineer taught me how to use the 'safety lock'. [...] I have built a strong house now. I have used a total of five 'safety locks'."

During construction, Man Bahadur had to make corrections to qualify for further installments of the housing grant. At first, as he was building his wall, he was told by a technician that "everything was fine". However, when an engineer visited a few weeks later, he was told that he had to reduce the height of the walls. "I was raising the walls of my house, and I was told that the house had become too high. I had finished roofing within 18 days but the engineer asked me to reduce the height of the walls by one foot and it took me two days to demolish one foot of the walls. For this, I unnecessarily had to spend double."

In Man Bahadur's ward, 18 households had rebuilt, five had begun construction by laying the foundations, and 11 households had not yet started to rebuild. Observations suggested residents of Katunje VDC were rebuilding faster compared to other VDCs visited in Okhaldhunga.

**Table 3.10:** Whether people who have received the first tranche of the RHRP grant have started rebuilding – by district impact and district (IRM-4, weighted)

	House not damaged	Not done anything	Started rebuilding
<b>Severely hit</b>	<b>0%</b>	<b>61%</b>	<b>38%</b>
Dhading	0%	69%	30%
Gorkha	1%	48%	50%
Nuwakot	0%	58%	42%
Ramechhap	1%	59%	40%
Sindhupalchowk	0%	69%	31%
<b>Crisis hit</b>	<b>2%</b>	<b>53%</b>	<b>45%</b>
Bhaktapur	5%	52%	43%
Kathmandu	1%	54%	45%
Okhaldhunga	2%	54%	45%
<b>All severely hit and crisis hit districts</b>	<b>1%</b>	<b>58%</b>	<b>40%</b>

**Those who had not yet started rebuilding were most likely to say this was because of reasons related to a lack of cash and high building costs.**

Despite the increase in the size of the grant, the average estimates people give to rebuild their house vastly exceed the size of the grant in all districts. Estimated costs of rebuilding/reconstruction ranged between NPR 684,138 in Okhaldhunga to NPR 2,983,510 in Bhaktapur. In most districts, average estimated costs ranged between around NPR 700,000 to 900,000, while in Sindhupalchowk estimated costs were NPR 1,030,683 and in Solukhumbu and Kathmandu they were over NPR 2,000,000.

While the grant was not designed to cover all costs of reconstruction, many of those interviewed in the

qualitative research were dissatisfied that it covered only a fraction of the overall costs, with many unable to find the additional cash without going abroad or taking loans at high interest rates. Increased construction costs due to rising prices for materials, labor and transportation were among the most commonly cited obstacles to rebuilding in the qualitative research.

The NPR 300,000 grant will likely cover less than half of the total costs required for rebuilding. In the severely hit districts, 35% say it will cover less than 25% of the costs and 48% say it will cover between 25-50% of costs (Table 3.11). In the crisis hit districts, which include the urban areas of Kathmandu and Bhaktapur, a strong majority (65%) say less than one-quarter of the costs will be covered by the RHRP grant. In lesser-affected districts, two in three say between 25-50% of the costs will be covered by the RHRP grant.

**Table 3.11:** Share of rebuilding costs that the RHRP grant will cover – by district impact and district (IRM-4, weighted)

	Less than 25%	25-50%	51-75%	Most (over 75%)	All	Don't know
<b>Severely hit</b>	<b>35%</b>	<b>48%</b>	<b>10%</b>	<b>2%</b>	<b>1%</b>	<b>5%</b>
Dhading	22%	66%	10%	1%	0%	1%
Gorkha	25%	43%	17%	5%	1%	9%
Nuwakot	42%	39%	8%	1%	0%	9%
Ramechhap	22%	62%	13%	1%	1%	2%
Sindhupalchowk	57%	35%	4%	2%	1%	2%
<b>Crisis hit</b>	<b>65%</b>	<b>11%</b>	<b>5%</b>	<b>3%</b>	<b>9%</b>	<b>6%</b>
Bhaktapur	86%	2%	1%	1%	0%	12%
Kathmandu	67%	5%	5%	4%	14%	5%
Okhaldhunga	17%	62%	15%	3%	0%	4%
<b>Hit with heavy losses</b>	<b>0%</b>	<b>67%</b>	<b>11%</b>	<b>2%</b>	<b>2%</b>	<b>18%</b>
Lamjung	0%	70%	7%	0%	0%	22%
Solukhumbu	0%	55%	27%	9%	9%	0%

	Less than 25%	25-50%	51-75%	Most (over 75%)	All	Don't know
<b>Hit</b>	<b>0%</b>	<b>67%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Syangja	0%	67%	33%	0%	0%	0%
<b>All districts</b>	<b>45%</b>	<b>35%</b>	<b>8%</b>	<b>2%</b>	<b>4%</b>	<b>5%</b>

**Across all districts, just 37% of people said they are using/will use the grant for the intended purpose of building a new house using an accepted model, a drop from 44% in IRM-3.**

The proportion saying they would use RHRP funds to build according to the requirements of the housing grant scheme was highest in Dhading, Ramechhap and Sindhupalchowk (Table 3.12). Almost one-quarter of people said they would use the funds for livelihood support, a large increase since IRM-3, and 7% said

they would use the funds to pay off loans. Nine percent of people say they would use the funds to build a house which they were not sure is earthquake-resistant. Over one-quarter said they would use the fund to rebuild/retrofit a previous house. Janajatis and lower caste people (24% each) were slightly more likely than higher caste groups (19%) to say they would use the first tranche for livelihood support.<sup>26</sup> Those with low pre-earthquake incomes were more likely than people in the middle and high income categories to say they would use the first tranche of the grant to pay off loans or for livelihood support.

**Table 3.12:** Use of/planned use of first tranche of RHRP grant among those declared eligible to receive it – by district impact and district (IRM-3, IRM-4, weighted)

	Rebuild/retrofit previous house		Build new house using accepted NRA model		Build new house not using NRA model/not sure if new house will be NRA model		Pay off loans		Livelihoods support		For other things		Don't know/can't say	
	IRM-3	IRM-4	IRM-3	IRM-4	IRM-3	IRM-4	IRM-3	IRM-4	IRM-3	IRM-4	IRM-3	IRM-4	IRM-3	IRM-4
<b>Severely hit</b>	<b>21%</b>	<b>24%</b>	<b>55%</b>	<b>49%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>8%</b>	<b>9%</b>	<b>23%</b>	<b>2%</b>	<b>12%</b>	<b>5%</b>	<b>1%</b>
Dhading	53%	7%	37%	77%	1%	2%	0%	9%	1%	20%	1%	18%	8%	1%
Gorkha	14%	47%	53%	24%	17%	4%	0%	7%	6%	20%	3%	8%	8%	2%
Nuwakot	46%	39%	3%	26%	1%	10%	1%	16%	12%	25%	0%	11%	25%	1%
Ramechhap	0%	17%	0%	59%	0%	3%	0%	1%	0%	18%	0%	6%	0%	2%
Sindhupalchowk	50%	10%	0%	58%	0%	4%	0%	4%	12%	28%	0%	16%	25%	1%
<b>Crisis hit</b>	<b>25%</b>	<b>35%</b>	<b>30%</b>	<b>16%</b>	<b>10%</b>	<b>18%</b>	<b>10%</b>	<b>5%</b>	<b>30%</b>	<b>21%</b>	<b>0%</b>	<b>8%</b>	<b>5%</b>	<b>3%</b>
Bhaktapur	7%	58%	40%	9%	7%	2%	7%	6%	13%	13%	0%	9%	27%	3%
Kathmandu	7%	31%	24%	14%	0%	25%	12%	4%	9%	21%	0%	1%	54%	4%
Okhaldhunga	0%	16%	44%	43%	0%	5%	22%	10%	11%	34%	0%	42%	33%	1%
<b>Hit with heavy losses</b>	<b>8%</b>	<b>54%</b>	<b>58%</b>	<b>11%</b>	<b>6%</b>	<b>2%</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>43%</b>	<b>3%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>
Lamjung	14%	52%	0%	11%	0%	0%	0%	11%	7%	41%	0%	7%	79%	4%
Solukhumbu	0%	64%	0%	9%	0%	9%	0%	18%	0%	55%	0%	0%	100%	0%
<b>Hit</b>	<b>3%</b>	<b>67%</b>	<b>92%</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>8%</b>	<b>33%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Syangja	0%	67%	0%	0%	0%	0%	0%	0%	0%	33%	0%	0%	100%	0%
<b>All districts</b>	<b>25%</b>	<b>28%</b>	<b>44%</b>	<b>37%</b>	<b>4%</b>	<b>9%</b>	<b>5%</b>	<b>7%</b>	<b>10%</b>	<b>22%</b>	<b>1%</b>	<b>11%</b>	<b>11%</b>	<b>2%</b>

<sup>26</sup> People could give multiple uses. As such, numbers do not add up to 100%.

***In the survey, most of those who got the first tranche were at least somewhat confident that they would be able to receive the second installment of the housing grant.***

Those who received the first tranche of the NRA grant were asked whether they were confident of being able to get the next tranche. Eight in 10 grantees in the severely hit districts were confident of being able to

get the second tranche of the NRA grant, as are six in 10 in crisis hit districts – Table 3.13. Nearly two in 10 in the severely hit districts (18%) and just over three in 10 in the crisis hit districts (34%) were not confident that they would get the second tranche of the RHRP grant. Those in Kathmandu (40%) and Bhaktapur (31%) were the most likely to not be confident about getting the second tranche of the NRA grant.

**Table 3.13:** Confidence in getting the second tranche of the RHRP grant among those who got the first tranche – by district and district impact (IRM-4, weighted)

	Very confident	Somewhat confident	Not too confident	Not at all confident	Don't know
<b>Severely hit</b>	<b>20%</b>	<b>60%</b>	<b>17%</b>	<b>1%</b>	<b>3%</b>
Dhading	26%	44%	24%	1%	5%
Gorkha	21%	55%	18%	2%	5%
Nuwakot	18%	64%	18%	0%	1%
Ramechhap	10%	73%	13%	0%	4%
Sindhupalchowk	20%	68%	10%	0%	1%
<b>Crisis hit</b>	<b>11%</b>	<b>53%</b>	<b>30%</b>	<b>4%</b>	<b>3%</b>
Bhaktapur	11%	54%	21%	11%	4%
Kathmandu	9%	49%	37%	3%	3%
Okhaldhunga	20%	72%	4%	1%	3%
<b>All severely hit and crisis hit districts</b>	<b>16%</b>	<b>57%</b>	<b>21%</b>	<b>2%</b>	<b>3%</b>

Those who used, or said they would use, the first tranche to build a new house following an accepted building model were the most likely to be confident they would receive the second tranche (23% very confident, 56% somewhat confident). However, three-quarters of grantees who used it for purposes other than housing (paying off debt, livelihood support, etc.) also thought they would get the second tranche of the grant. Confidence levels among those who will use/used it to pay off loans (23% very confident, 58% somewhat confident) and those who will use/used it to build a house using approved building models (23% very confident, 56% somewhat confident) are nearly identical.

***The qualitative research revealed that uncertainty about the second installment was increasing.***

Dissatisfaction over delay in distributing the second tranche of the grant were widespread. Most expected to have received the second installment by April 2017 and said they could not continue rebuilding without it. Indeed, the qualitative research observed that the pace of reconstruction had slowed down by April 2017 after more people had begun rebuilding over the winter months. Beneficiaries were told that the second installment would be distributed only

after the completion of local elections. However, some also complained about delays in the inspection of houses, insufficient application forms for the second installment, and general uncertainty about requirements and eligibility for the second installment.

As the time between the first and second payment of the grant increased, more people were beginning to doubt whether they would receive the second installment at all. Many of those interviewed in the qualitative research voiced frustration over widespread uncertainty and lack of information about the second installment. Researchers also encountered rumors that the second installment would not be distributed or that those unable to fulfill the requirements would have to return the first installment. “Many people have problems to build a new house as the old materials have been damaged, and they do not have the financial capacity [...]. Soft loans are inaccessible so far, and people are not even sure about the second tranche of the government’s housing cash grant. This is why many people do not dare to start reconstruction,” said a resident of Barpak VDC, Gorkha. In Lisankhu VDC, Sindhupalchowk, one person complained that, “people are confused about whether the second installment of the cash grant will be released.” In Baruwa VDC, Sindhupalchowk, a resident said, “More than sixty thousand rupees was spent on clearing the land. Now,



how to start building the house, the government is not providing us the second installment [of the housing cash grant] and I cannot continue [building].”

Forty-seven percent of people declared eligible across all districts, said they knew what the requirements for receiving the second tranche of the grant were. Knowing these conditions has a small impact on whether people say they would use the first tranche of

funds in line with the program’s purpose. Forty-three percent of those who said they know the conditions plan to use the funds to build a new house following government regulations compared to 32% of those who said they do not know the conditions. However, 21% of those who said they knew the conditions still planned to use the first grant for livelihoods support, 6% to pay off loans and many others (12%) planned to use it for other purposes.

### Case Study 3.3: Common questions on and complaints about the housing grant

*These questions were raised at a public hearing organized by Transparency International in Sindhupalchowk in a village over two hours drive from the district headquarters. Questions were answered by the NRA representative in Sindhupalchowk. Around 50-70 people attended the program.*

“I am rebuilding my house with a large loan [...] but the government is not giving us the second and third installments of cash grant. I have to pay interest for my loan. The government should immediately give us money or inform us if they cannot give it. We are confused.”

“There were mistakes in the CBS assessment. People were left out because of the assessment team’s mistakes, and problems with the tablets and network. And now the grievances submitted have not yet been addressed. When will they be addressed?”

“The first [INGO] engineer said that it is okay to build two attached houses. So, brothers from the same family built that way but later another engineer said it’s not as per the building code and they are not eligible for the second installment. What will happen to this case now?”

“It was said that we can use local resources for rebuilding the house but now the engineers are not approving houses made of stone. Why?”

“Our one-floor house was cracked by the earthquake and the engineer asked us to rebuild the house. But our name was not in the beneficiary list. How can we build a new house? Why was our name not included in the list?”

“Multiple engineers came to see our house; one said it is okay and the other says it is not. And when we asked the VDC about the forms for the second installment he said that engineer will bring it and when we asked the engineers they say the VDC office will provide the forms. What is the truth?”

“It is our house and we have surely made it strong and safe. So, all the houses that have already been rebuilt must be approved without obstacles.”

“Around 500 grievances forms were submitted from Barabise VDC but we don’t know the results. Will they be addressed or not?”

“Why we are not getting the second installment? Is the problem at the central or at district level?”

“I called the engineers when I was about to start rebuilding. But they didn’t show up. Now, I rebuilt on my own. Will the house be approved?”

## Complaints

### ***Grievance management committees were formed but inactive in most of the VDCs visited in the qualitative research.***

As reported in IRM-3, most complaints were collected alongside the cash grant agreement process at the VDC level but people could continue to file complaints after the cash grant agreement process was completed. In IRM-3 most complaint forms had yet to be dealt with and there was often confusion at the local level on who was responsible for processing them. By IRM-4, there had been progress. According to official MoFALD data released shortly after the research was conducted, 205,494 complaints had been filed of which 131,716 were cleared in May 2017.<sup>27</sup> All registered complaints were passed on to the NRA office rather than being reviewed and resolved locally—although people generally expressed a preference for complaints to be reviewed locally.

Grievance management committees were formed in VDCs visited but were inactive apart from in Barpak, Gorkha. Complaints were filed at the VDC office, often with the help of Social Mobilizers and WCF members, and then sent to the DDC before being forwarded to the NRA. The Barpak grievance management committee was the only local committee that was actively reviewing and deciding on some of the submitted grievance forms.<sup>28</sup> The committee only forwarded 50 out of 76 grievances to the NRA, while all other VDCs forwarded all grievance forms. However, the DDC later asked the Barpak committee to also send the rest of the forms and sent all of them to the NRA.

Grievance management committees at the district level were equally inactive. It was expected, however,

that the committees would begin work after the local elections when the process of re-verifying some of the grievances that could not be addressed by the NRA would begin. How precisely various local offices and committees would coordinate to review complaints remained unclear to local stakeholders involved.

### ***Large numbers of complaints were being passed back to the districts for further verification or reassessment. In Gorkha and Sindhupalchowk some complaints forms were lost.***

In Gorkha, 15,903 complaints had been registered at the time of research. Of these, 2,959 had been approved and added to the beneficiary list, 5,162 were rejected, and 6,959 would need further verification or reassessment. More than 300 submitted complaints were reportedly lost and the rest still needed to be reviewed by the NRA. In Sindhupalchowk, 14,447 complaints had been registered by April 2017. Of these, 2,964 submitted in 25 VDCs had been processed and 565 were found ineligible as they had other livable houses. Fifty-eight were found as eligible after further review and 1,120 applications had no data or missing or wrong information. Around 6,000 complaints from 15 VDCs were reported misplaced or lost.<sup>29</sup> In Okhaldhunga, 8,019 complaints had been registered.<sup>30</sup> Of these, 346 had been approved, 4,575 rejected, 1,581 needed further field verification or reassessment and 273 had missing or mismatching data.<sup>31</sup>

The process of verifying and reassessing those households whose complaints could not be addressed by the NRA had not yet begun at the time of research.

## Technical assistance

### ***Despite improvements in access to technical assistance since IRM-3, gaps remained: several DUDBC engineer positions were still vacant and people in remote wards struggled more to receive technical advice.***

In IRM-3, DUDBC-deployed engineers were under-occupied as most beneficiaries had yet to start rebuilding. By IRM-4, the engineers had become

more involved and were more visibly present and active in the VDCs visited where the cash grant had been distributed. They were observed to be informing citizens about the housing grant process and building requirements and inspecting houses to determine whether they qualified for further installments of the grant. The engineers also processed application forms for the second installment submitted by beneficiaries who had completed the foundation of

<sup>27</sup> <http://www.mofald.gov.np/ne/node/2134>.

<sup>28</sup> See IRM-3 for more details on the Barpak grievance management committee in which political parties were involved, going against the guidelines.

<sup>29</sup> 'No data' might mean that the application was lost since a large number of applications (6,000) were reportedly lost in Sindhupalchowk.

<sup>30</sup> According to the CDO office, 8,019 complaints had been registered but according to the DDC, only 7,810 complaints had been registered.

<sup>31</sup> These numbers were collected at the DDC at the time of research in early April and confirmed with other key stakeholders at the district level.



Photo: Alok Pokharel

their houses. I/NGO deployed engineers were also providing assistance some VDCs. Beneficiaries did not receive technical assistance from student engineers or the Nepal Army in any of the VDCs visited for the qualitative research.

Yet, there were still shortages of engineers with many DUDBC engineer positions at district and VDC level remaining vacant. A high turnaround of engineers was reported. It was frequently mentioned that one or more engineers had resigned after receiving better job offers elsewhere. It was also reported that people in remote wards struggled more to bring the engineers to inspect their house as the engineers did not visit as regularly in remote settlements. A resident in a remote ward of Katunje VDC said, “the technicians do not visit the ward regularly. I have demanded the VDC Secretary send the technicians to this ward on a regular basis. What kind of job they are doing, if they do not care about the houses built here?”

<sup>32</sup> The government-deployed engineers had previously protested for better working conditions and higher pay. They had been assured that their demands would be fulfilled but at the time of the research this was not yet the case.

***Government-deployed engineers faced a variety of logistical challenges, which negatively affected their work. Some were able to overcome at least some of these and continue to support communities by finding creative solutions.***

The DUDBC engineers struggled with various logistical issues across districts, which made their work more difficult and often reduced the effectiveness of their assistance. Common challenges faced by engineers included unclear instructions, frequent changes in instructions from the NRA and DUDBC and in approved housing designs, and insufficient training. Delayed provision of inspection forms to engineers, damaged tablets or cameras, limited internet access, lack of material and travel support and work space, having to work in difficult geographical terrain (the engineers had to cover large areas on foot), political pressures and low pay were also frequently listed as difficulties faced by engineers.<sup>32</sup> As a result of this lack of clarity and the practical difficulties, engineers struggled to follow instructions. Some developed their own responses, for example by photocopying forms locally, asking beneficiaries to submit their own pictures of building progress (if tablets were damaged), or taking extra measures to ensure the



houses would follow the approved designs. While such initiatives were positive, it also meant that the work of engineers was inconsistent and changes in procedures often remained unrecorded.

***Dissatisfaction with the quality of the assistance provided, or the advice given, was common. Satisfaction with engineers was higher in VDCs where engineers were more accessible.***

Despite positive efforts by dedicated and proactive engineers to serve communities as best as they could, several complaints about the work of engineers were raised. Many thought the engineers were not sufficiently trained and lacked technical expertise. Some said they were young, immature and inexperienced or not motivated to do their work. Most commonly, people complained that engineers were not available or not able to give adequate advice when needed or that the turnaround of engineers meant that people often received different advice at different stages during rebuilding if their house was not inspected by the same engineer throughout. Some also thought that the engineers only complained when something was wrong rather than providing assistance throughout the process of rebuilding: “The engineers are more the complaining types,” said a key informant in Sindhupalchowk. “They do not provide assistance when people begin construction; instead they only inspect houses later and complain when something has gone wrong.”

The limited monitoring of the engineers was also mentioned as a concern. In Sindhupalchowk, district level informants thought that due to the absence of VDC Secretaries in some VDCs, the presence and work of the engineers was not sufficiently monitored. However, even where present, VDC Secretaries sometimes struggled to ensure that the engineers would provide adequate assistance. This was due to the various logistical challenges that engineers faced and their high turnaround as well as due to a lack of willingness of engineers to follow instructions from VDC Secretaries who are lower-ranking officials compared to some of the engineer positions.

In one VDC, concerns were raised that engineers were provided food and accommodation in villages they visited and that this might affect their ability to remain objective. In two VDCs, it was also mentioned that the engineers may be taking bribes or giving in to local political pressures but this was difficult to verify. People seemed more satisfied with the engineers in places where they stayed in the village and therefore were more easily accessible. Yet, in all VDCs, some respondents thought that technical assistance arrived too late and engineers should have been more present and active during the early stages of rebuilding to prevent mistakes in building techniques and

designs. This particularly applied to those who began rebuilding before they received the first installment of the cash grant.

***Compliance with approved building designs was reported to be low.***

As the survey evidence presented earlier suggested, compliance with the building requirements to receive further installments of the housing grant was observed to be low. Reasons were both the lack of awareness about the requirements as well as deliberate violations of the building codes because these were deemed too expensive, impractical or too difficult to implement due to lack of certain construction materials or the lack of adequate technical assistance.

Many were hoping for more flexible building codes as they found the NRA-approved housing models to be culturally insensitive, impractical or too expensive. Common complaints were the lack of storage space and the specific needs of those with disabilities or single women living alone not being considered.<sup>33</sup> In Okhaldhunga, Rais and Limbus were reported to prefer their traditional architecture as it was better suited to their cultural sensibilities. In Barpak, Dalit families said, “Traditional and wooden houses have been completely ignored since the technicians have given priority to concrete houses. But those houses are expensive. What to do if one cannot afford it?” In Baruwā VDC, Sindhupalchowk, the Tamang community said they found the approved house models unsuited to their needs and traditions. The engineers stationed in the village explained that Tamang houses traditionally have a large, long, single room on the ground floor but that the building codes require two rooms and also do not allow for the ground floor to be larger than 12” x 12”. Mui Lama from the Baruwā VDC said: “According to the building code we are supposed to make a small house with two rooms. How can it be sufficient? We need rooms for family members, for the kitchen, for guests and for storing food. The guidelines are very strict. We are investing our money but are not allowed to build according to our needs and own ideas. We want to make a strong house. We don’t want to die. But the building should be made a bit more flexible.” Engineers generally agreed with local communities that the approved building designs were not flexible enough to be adapted to local needs.

In Barpak, local residents feared the loss of traditional architecture. Before the earthquakes, Barpak used to attract tourists as it was a beautiful traditional Gurung/Ghale settlement with traditional houses with stone

<sup>33</sup> Those with disabilities and single women generally preferred to live in a one-room house rather than the two-room houses proposed by the NRA.

### Case Study 3.4: Low compliance with approved building designs

Lalkaji's house in Syaule VDC, Sindhupalchowk was completely damaged during the first earthquake. He started rebuilding his house within days after the earthquake, employing 31 laborers to rebuild fast. He spent NPR 490,000 (NPR 250,000 of his own money, 170,000 of his wife's and 70,000 of his son's money). When the second earthquake struck he only had the roof left to put up but his new house was also damaged with major cracks in the wall. Lalkaji said he had been in a hurry to rebuild so his ten family members and small grandchildren would not have to stay in small tents for very long.

Lalkaji said it was very difficult staying in tents and temporary shelters. They feared for their lives during storms. So, he started rebuilding his house once again, taking a loan of NPR 650,000 from relatives. He used brick and wood for his house. At the time, there were no engineers or trained masons in the village and no-one knew how to make earthquake-resilient structures. When the engineers came after the completion of his house, it was not approved

as earthquake-safe and eligible for the housing cash grant. Lalkaji said he received the first installment of the grant but fears he would have to return it since he was not found eligible for government support. Lalkaji was frustrated about the government's late support during reconstruction. "Where was the government when I built my house?" He has no money left to rebuild once again using the approved building designs.

Many others in the VDC were found not eligible for further installments of the housing grant as they did not follow the building codes. People started rebuilding their houses on their own, before government and technical support, because they needed somewhere to keep their crops. In their opinion, the reconstruction scheme and information on building designs came much too late. Now they were angered about not receiving the full housing cash grant, which has left many in debt and without the cash they had counted on to repay their debts.

roofs. Tourists used to stay in traditional homestays. But the traditional architecture is now likely to disappear and residents feared this would mean a loss of incomes from tourism in the long run. Few traditional houses were being rebuilt in Barpak and there was no uniformity in the way houses were being rebuilt. Most built RCC (reinforced cement and concrete) houses. "People think that RCC houses are stronger than traditional ones ... This is threatening the beauty and tradition of this place," said a local leader. Some of Barpak's residents thought that the government should have developed an integrated plan for rebuilding traditional settlements to ensure a more uniform look.

In several VDCs, people reported that they did not have large enough land to implement the building codes. This was particularly so in urban areas where plots of land tend to be smaller and a new requirement for houses' distance from the road meant that less of the available land could be built on. It was estimated across VDCs visited that more than 20 percent of beneficiaries would not qualify for subsequent installments of the housing grant. Yet, houses that had failed the inspection process had not yet been informed of this.

## Retrofitting

### *Awareness of the retrofitting grant and retrofitting options is low.*

In the survey, people who were not declared eligible for the NPR 300,000 grant were asked if they were aware of the NPR 100,000 retrofitting grant as they might be eligible for the retrofitting grant instead. Over half said they were not aware (54%) of the program. Only 39% said they knew about the retrofitting grant. Dis-

tricts where people were most likely to be aware of the program were Dhading (49%), Kathmandu (49%) and Solukhumbu (42%). Those in less remote areas (43%) were more likely than people in more remote (32%) and remote (38%) areas to know of the retrofitting grant. Most people said they had not been declared eligible to receive the NPR 100,000 retrofitting grant (83%). Forty percent thought they should have been eligible for it, while 57% agreed they should not have been eligible.



In the qualitative research, it was found that very few had heard of the retrofitting grant and those who had did not know what it entailed. Key stakeholders, such

as VDC secretaries and engineers had also not yet received any information on the retrofitting grant and what options for retrofitting people would be given.

## Coordination

***A lack of clarity on the respective responsibilities of different government bodies, coordinating mechanisms and local NRA offices continued to hinder effective coordination between them and reduce efficiency.***

As observed in IRM-3, different government line agencies were involved in various aspects of earthquake recovery, such as the DAO, DDC, DUDBC, District Technical Office and District Education Department, among others. Yet, there was little formal coordination between these and with local NRA offices. Communication was ad-hoc and not always effective, with local government officials at the VDC and district level frequently complaining that their concerns remained unaddressed.

HRRP district offices had become more active since IRM-3 and were holding regular coordination meetings to bring together different actors involved in reconstruction in Gorkha, Sindhupalchowk and Okhaldhunga. Many said this had improved coordination, but in Sindhupalchowk, a DUDBC representative thought the HRRP was unnecessary and it would have been more effective if the government had established an effective coordination mechanism. The DCCs, which were created by the government to coordinate and monitor reconstruction efforts at the district level, were not active and did not take a coordinating role.

***Dissatisfaction with the roles of and coordination with the NRA persisted at the local level.***

Local government officials and several other civil society stakeholders continued to argue that the NRA was unnecessary, especially at the local level, and that its work could have been implemented through already established offices and government line agencies. They still thought that the establishment of the NRA had actually hindered reconstruction as it delayed their work and introduced another layer of bureaucracy. With I/NGOs coordinating with government line agencies and the NRA having little authority over line agencies, it had proved difficult for local NRA offices to coordinate all actors involved in the districts. Local government officials frequently complained that the NRA was too slow to respond to their questions and suggestions with local NRA offices being understaffed and having to refer to the central office on most matters. Most often they complained about the slow distribution of application forms for the second installment and the delayed provision of the second installment as well as a lack of clear and timely instructions from the center and the NRA on changes to the housing grant program.

# Chapter 4

## Coping Strategies



Photo: Chiran Manandhar

### 4.1 Borrowing

#### Rates of borrowing

***The number of people borrowing continues to rise. Increases have been more sharp in more affected and more remote areas.***

Two years after the disaster, borrowing continues to increase in earthquake-affected districts. In the immediate aftermath of the earthquakes, 14% of people borrowed money. Thirty-two percent took loans in IRM-2 and the rate stayed the same in IRM-3. The amount of people borrowing has grown further in the past eight months with 44% having taken loans in this period.

The number of people borrowing has generally increased most sharply in more affected districts (Table 4.1).<sup>34</sup> Fifty-five percent of people have borrowed in the last eight months in the severely hit districts, compared to 24% in the early months after the earthquake. Borrowing is now particularly high in the severely hit districts of Dhading and Ramechhap as well as the crisis hit district of Okhaldhunga, where 72% of people have taken loans in IRM-4. Borrowing is least common in Lamjung district.

**Table 4.1:** Share of people who have borrowed – by district impact and district (IRM-1, IRM-2, IRM-3, IRM-4, weighted)<sup>35</sup>

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
<b>Severely hit</b>	<b>24%</b>	<b>49%</b>	<b>43%</b>	<b>55%</b>
Dhading	25%	52%	48%	64%
Gorkha	17%	45%	36%	52%

<sup>34</sup> It has also increased in Syangja, the least affected district. It is unclear why this is the case.

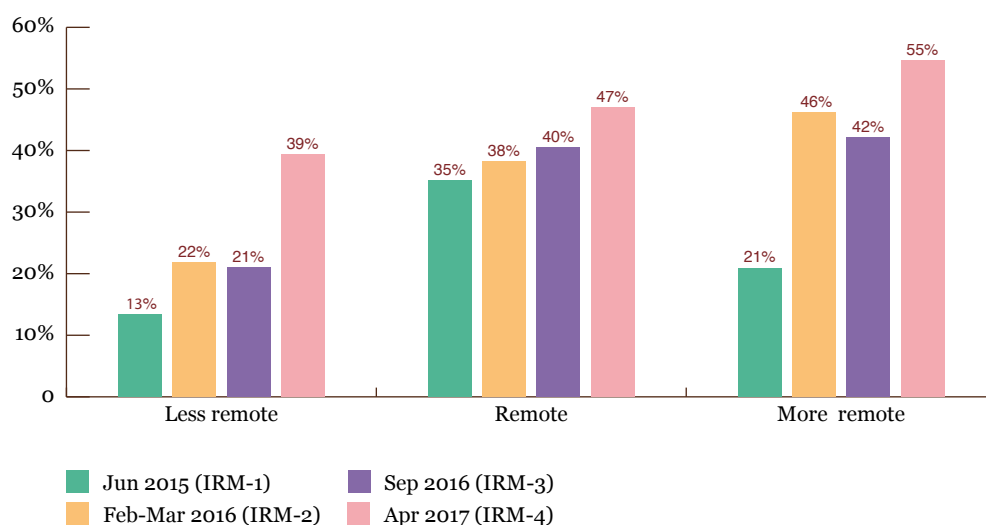
<sup>35</sup> The time period covered in this survey question differs slightly for each survey round. Respondents were asked if they had borrowed

since the earthquake in IRM-1, since the beginning of last monsoon in IRM-2 (June 2015-February 2016), since the end of winter season in IRM-3 (March 2016-September 2016) and since the end of last monsoon in IRM-4 (September 2016-April 2017).

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Nuwakot	14%	43%	34%	54%
Ramechhap	40%	63%	59%	55%
Sindhupalchowk	30%	46%	42%	49%
<b>Crisis hit</b>	<b>11%</b>	<b>22%</b>	<b>25%</b>	<b>39%</b>
Bhaktapur	11%	22%	14%	40%
Kathmandu	9%	19%	23%	36%
Okhaldhunga	30%	66%	66%	72%
<b>Hit with heavy losses</b>	<b>10%</b>	<b>24%</b>	<b>24%</b>	<b>21%</b>
Lamjung	7%	21%	23%	18%
Solukhumbu	15%	29%	26%	27%
<b>Hit</b>	<b>4%</b>	<b>43%</b>	<b>45%</b>	<b>51%</b>
Syangja	4%	43%	45%	51%
<b>All districts</b>	<b>14%</b>	<b>32%</b>	<b>32%</b>	<b>44%</b>

A larger proportion of people in more remote areas are borrowing than elsewhere. As shown in Figure 4.1, 47% of people in remote areas and 55% in more remote areas borrowed in IRM-4.

**Figure 4.1:** Share of people who have borrowed – by remoteness (IRM-1, IRM-2, IRM-3, IRM-4, weighted)



**The average amount people borrowed has increased over time and continues to be highest in crisis hit districts.**

As shown in Table 4.2, IRM-4 borrowers on average took loans of NPR 363,193, the highest level since the earthquake and a threefold increase since IRM-1. Loan sizes in IRM-4 continue to be the highest in the crisis hit districts, driven mainly by the two urban districts of Kathmandu and Bhaktapur. Among the severely hit districts, the biggest increases in sums borrowed since IRM-3 have been in Gorkha. Ramechhap and Lamjung are the two districts where there has been a decline in the average amount borrowed.

**Debt loads are also increasing for a substantial share of the population. Increases in debt are more common for people who sustained more earthquake impact and in remote areas.**

According to IRM-4, overall debt has increased for 47% of the people who took loans since the last monsoon (September 2016). Overall debt has decreased for just 11% of the population who borrowed in the past eight months. Report of increasing debt are more widespread in higher impact districts. Among those who have taken a loan, 53% in severely hit districts say that their overall debt has increased since IRM-3, compared to 46% in crisis hit, 28% in hit with heavy losses

and 37% in hit districts. The two districts where debt increases are most common are Okhaldhunga (62%) and Dhading (70%). Debt appears to be increasing for more people in more remote areas (53%) than in remote (51%) or less remote areas (41%).

Debt is increasing for 52% of those whose house was completely destroyed, while it is for 40% of those

whose house saw major damage and for 45% of people with minor damage to their houses. It is noteworthy that 33% of those without any house damage have increasing overall debt, which suggests that rising debt is a common problem but that it is aggravated by the earthquake.

**Table 4.2:** Average borrowing in NPR – by district impact and district (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
<b>Severely hit</b>	<b>45,289</b>	<b>262,343</b>	<b>155,094</b>	<b>226,831</b>
Dhading	54,719	645,171	172,533	234,771
Gorkha	53,910	149,389	152,641	255,675
Nuwakot	38,668	153,974	176,446	240,065
Ramechhap	44,811	118,267	121,906	199,719
Sindhupalchowk	34,859	111,245	150,104	192,695
<b>Crisis hit</b>	<b>185,747</b>	<b>408,363</b>	<b>300,829</b>	<b>500,608</b>
Bhaktapur	66,671	213,744	573,812	572,795
Kathmandu	243,843	531,259	324,193	543,756
Okhaldhunga	49,740	97,622	110,859	139,190
<b>Hit with heavy losses</b>	<b>99,799</b>	<b>186,422</b>	<b>216,281</b>	<b>235,990</b>
Lamjung	62,071	228,662	305,088	276,843
Solukhumbu	130,514	131,100	75,000	188,542
<b>Hit</b>	<b>34,375</b>	<b>167,021</b>	<b>194,430</b>	<b>281,581</b>
Syangja	34,375	167,021	194,430	281,581
<b>All districts</b>	<b>103,057</b>	<b>303,130</b>	<b>213,451</b>	<b>363,193</b>

**The rise in overall volume of debt is more likely among high caste and middle income groups.**

Half of the high caste group who have borrowed say that their overall debt is increasing, compared to

46% of Janajatis and 37% of low caste people who have taken loans since IRM-3 (Table 4.3). When disaggregating by pre-earthquake income, the highest share of people whose overall debt has increased are those with a medium level of income.

**Table 4.3:** Overall debt – by caste and pre-earthquake income (IRM-4, weighted)

		Increased	No change	Decreased	Don't know/ refused
Caste	High caste	50%	39%	10%	1%
	Janajati	46%	41%	12%	1%
	Low caste	37%	45%	16%	1%
Pre-earthquake income	Low	47%	41%	12%	1%
	Medium	51%	38%	10%	1%
	High	47%	37%	14%	2%



## Sources of credit

***Credit is being provided by both formal and informal sources. However, informal sources are more common for people living in more remote areas.***

Cooperatives continue to be the most common source of borrowing (27% of borrowers took loans from cooperatives) – Table 4.4. Other common borrowing

sources in IRM-4 are relatives (19%), neighbors (17%) and savings and credit groups (17%). Borrowing from relatives, which was the most common source immediately after the earthquake in IRM-1 (31%), became less common in IRM-2 and IRM-3, but has increased by 6 points since IRM-3. Borrowing from banks has stayed constant at 13% since IRM-2.

**Table 4.4:** Sources of borrowing among those who borrowed (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Moneylender	13%	10%	12%	11%
Friend	12%	9%	7%	12%
Relative	31%	24%	13%	19%
Neighbor	18%	17%	19%	17%
Other individuals	1%	2%	1%	1%
Bank	2%	13%	13%	13%
Savings and credit group	17%	18%	20%	17%
Cooperatives	7%	15%	23%	27%
Other financial institutions	1%	5%	2%	2%

People in more remote regions in IRM-4 borrowed largely from informal sources. Those who borrow in less remote regions are 16 percentage points more likely to borrow from formal sources than those in remote areas and 43 points more likely than those in more remote areas. In contrast, informal sources become more important as remoteness increases. In more remote areas, borrowers are 44 percentage points more likely to borrow from informal sources than in less remote areas.

***There was a sharp increase in the amount borrowed from most formal sources while the informal ones saw a slight rise.***

The average amount borrowed from banks increased from NPR 488,050 in IRM-3 to NPR 748,105 in IRM-4. Similarly, the average amount borrowed in IRM-4 from cooperatives and other financial institutions has doubled since IRM-3 (Table 4.5). Borrowing from friends and savings and credit groups has declined since IRM-3. Worryingly, average sums borrowed from moneylenders have substantially increased.

**Table 4.5:** Average borrowing in NPR – by sources (IRM-1, IRM-2, IRM-3, IRM-4, weighted)

	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
Moneylender	66,009	763,730	107,966	183,618
Friend	55,080	99,064	462,343	210,138
Relative	156,562	102,836	208,144	217,525
Neighbor	123,576	103,889	103,631	148,955
Other individual from ward	24,534	97,546	154,018	165,779
Bank	87,196	887,654	488,050	748,105
Savings and credit group	53,888	109,503	98,616	92,985
Co-operatives	65,396	161,435	212,858	485,275
Other financial institution	11,522	130,528	48,458	119,346
Government loan scheme		12,696		



**Loans are primarily taken from informal sources such as moneylenders or family and acquaintances due to the lack of accessible formal sources.**

The reasons for borrowing from informal sources have not changed from IRM-3; they included accessibility, convenience and repayment considerations.<sup>36</sup> Data from the qualitative field research show that there is a lack of accessible finance institutions in most earthquake-affected areas, including in Gorkha, Okhaldhunga and Sindhupalchowk. In six wards, ‘most’ borrowing took place from moneylenders or acquaintances, while ‘many’ households in 13 other wards borrowed from these sources. Cooperatives lend at rates lower than moneylenders. But as they are membership-based, only those who are members have access to these funds.

## Who has borrowed?

**As in previous surveys, those who had a low income before the earthquake and individuals of low caste are more likely to borrow than others. Borrowing in IRM-4 has also increased among people with disabilities.**

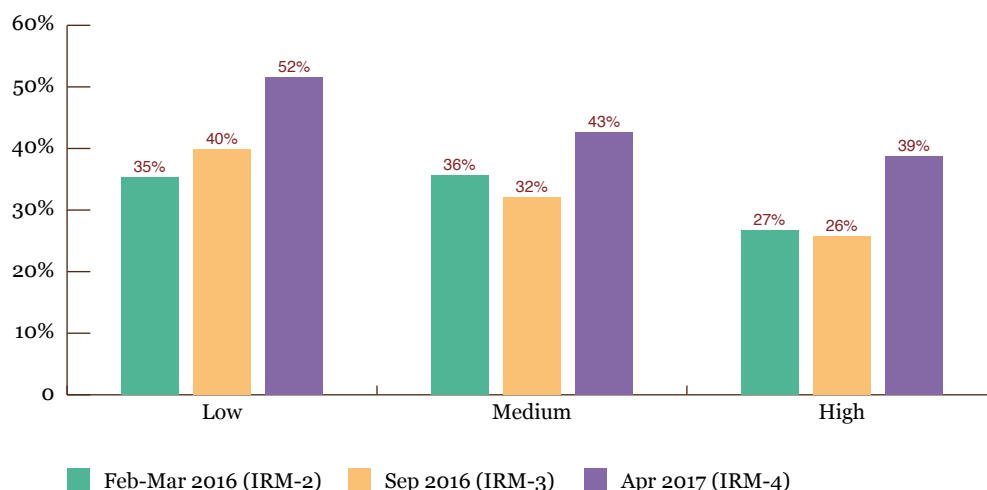
Those who had a low income before the earthquake are more likely to have borrowed since the earthquakes

**Average monthly interest rates have remained largely steady since the earthquake.**

In IRM-4, interest rates charged by banks, savings and credit cooperatives and other financial institutions are 1.7-1.8 percent. For informal sources, monthly interest rates range from 1.9-2.3 percent. People in more remote regions are depending on informal sources despite the higher interest rates. Higher interest rates are prevalent in higher impact districts, although the less affected Lamjung and Syangja districts are exceptions. Ramechhap (32%) and Sindhupalchowk (31%) have the highest shares of people who say they are charged more than 2% interest per month.

than others. There has been a steady increase in the share of low income people who are borrowing over time – from 35% in IRM-2 to 40% in IRM-3 to 52% in IRM-4 (Figure 4.2). Borrowing for those who had a medium or high income has also increased but still lags behind borrowing by the poor.

**Figure 4.2:** Share of people who have borrowed – by pre-earthquake income (IRM-2, IRM-3, IRM-4, weighted)



Compared to previous surveys, borrowing in IRM-4 has increased for all caste groups. But as in the past, a higher share of people of low caste are taking loans.

The proportion of high caste and low caste people who borrowed in IRM-4 has increased by 16 percentage points since IRM-3 while the proportion of Janajatis borrowing has increased by 9 points. However, while 49% of those in the high caste group and 39% of Janajatis are borrowing in IRM-4, nearly 62% in the low caste say that they borrowed since the last survey.

<sup>36</sup> IRM-3 qualitative report.

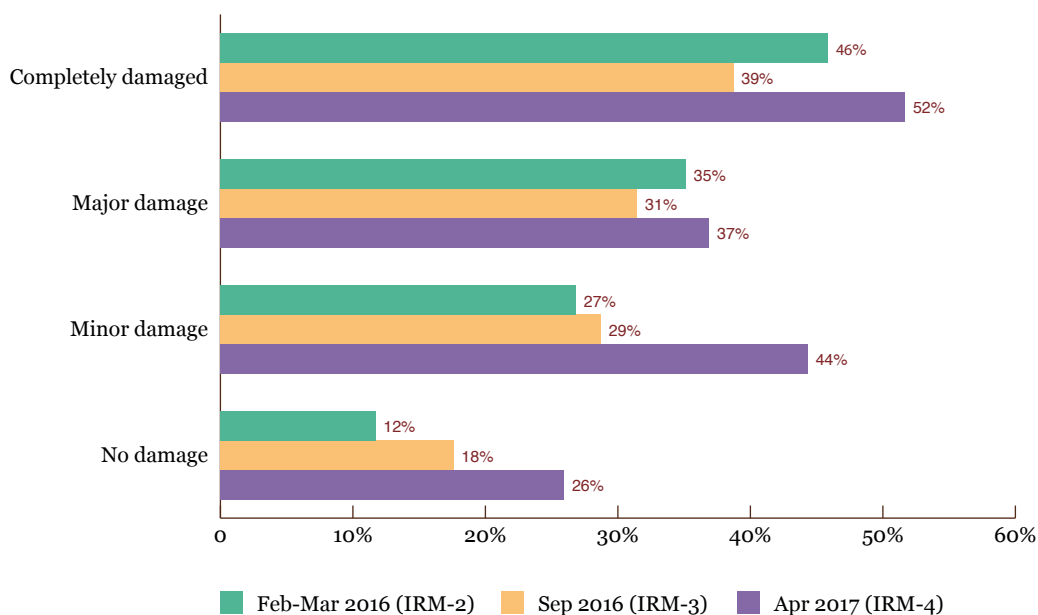
There has been a steady increase in borrowing by people with disabilities. Borrowing among people with disabilities was slightly less frequent than borrowing by others in IRM-2 and IRM-3. However, in IRM-4 the proportion of the disabled who are taking loans surpassed those without disability by 6 percentage points.

**People who sustained greater damage to their house and those who live in temporary shelters on other’s land are also more likely to borrow.**

As in earlier surveys, people whose houses were fully damaged are the most likely to borrow (Figure 4.3). There has been a sharp increase in the share of people whose house was destroyed who are borrowing with 52% taking loans in the last eight months, a 13 percentage point increase since IRM-3. Borrowing has also risen sharply for those whose house experienced minor damage.

Those who still live in temporary shelters are the most likely to borrow although borrowing has increased for those in all types of accommodation (Figure 4.4).

**Figure 4.3:** Share of people who have borrowed – by housing damage (IRM-2, IRM-3, IRM-4, weighted)



**Figure 4.4:** Share of people who have borrowed – by where people live (IRM-2, IRM-3, IRM-4, weighted)

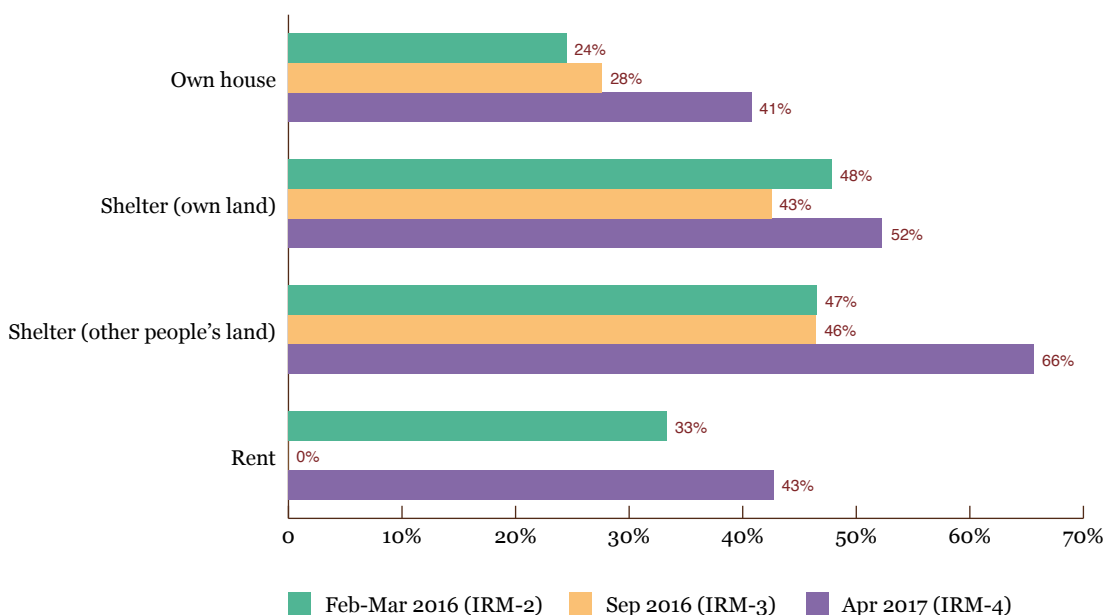




Photo: Chiran Manandhar

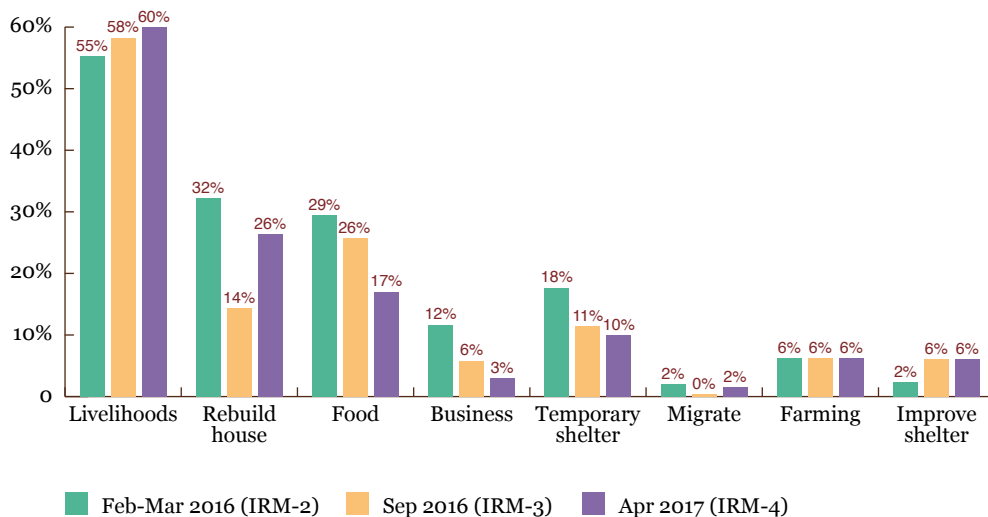
### Borrowing needs

**Supporting livelihood remains the most common reason for borrowing. Borrowing for reconstruction has become more important in the past eight months and correlates with levels of earthquake impact.**

The most common reason for borrowing is to support livelihoods (60% of those who borrowed in IRM-4, an

increase from 58% in IRM-3). The next most common reason is for people to rebuild their house (Figure 4.5). There has been a sharp increase in borrowing for housing reconstruction since IRM-3 but the share of borrowers who took loans for this purpose is still lower than in March 2016. The decline in the share of people borrowing for food, for their business or for temporary shelter continues.

**Figure 4.5:** Reasons for borrowing, share of those borrowing (IRM-2, IRM-3, IRM-4, weighted)



### Case Study 4.1: Taking loans to rebuild houses

Across districts, many earthquake-affected households were relying on loans and sending members to work abroad in order to finance the construction of their houses as the housing reconstruction cash grant did not cover the whole costs of rebuilding. With many potentially ineligible for the second and third installments of the housing grant, this leaves many uncertain about how to repay their loans.

Man Bahadur Tamang from Katunje VDC in Okhaldhunga who rebuilt quickly without waiting for the housing grant (Case Study 3.2) said, “I ran into debt to make this house. I had to spend almost NPR 500,000 for this two room house and I have only received NPR 50,000 from the government so I had to borrow money to manage expenses to build this house.” Below are the details of the money he used to finance the house:

- NPR 100,000 borrowed from daughter
- NPR 45,000 borrowed from friend
- NPR 100,000 borrowed from friend
- NPR 100,000 remittances from elder son who was working in India
- NPR 100,000 remittances from younger son who was working in India

Total expenses: NPR 445,000

Lalkaji Tamang from Syaule VDC in Sindhupalchowk also had to take loans to rebuild; he borrowed NPR 650,000 from relatives to build his new house. He started building before the grant was distributed by the government and before technical assistance was provided. He had to pay 3 percent interest to his relatives. When he saw no way to pay back his loan when he was declared ineligible for further installments of the housing grant, his 24-years-old son and his daughter-in-law went abroad to Malaysia and Saudi Arabia to earn money. However, to send them aboard Lalkaji had to take additional loans of NPR 400,000. The money sent by his son and daughter-in-law is only sufficient to pay interest on the loans.

According to the CDO’s office in Sindhupalchowk, the number of people going abroad increased after earthquakes primarily to earn money to pay back their loans.

Borrowing for reconstruction associates well with earthquake impact levels. Compared to only 8% of borrowers in the hit district, 33% in severely hit districts, 23% in crisis hit ones and 33% in hit with heavy losses districts say that they borrowed money for rebuilding. People who have suffered a higher level of damage to their house are also more likely to borrow for rebuilding when they take loans. Those whose house was completely destroyed are 6 percentage points more likely than those with major damage to borrow for rebuilding, and nearly three times more likely compared to people with minor or no damage to their houses. Data from the areas covered by the qualitative research also suggest that almost everyone who has rebuilt has taken loans.

***The share of people who plan to borrow in the next three months continues to rise, with severely hit districts seeing a big increase.***

Despite increasing debt loads, the number of people who plan to borrow is increasing. Thirty-five percent of people in IRM-4 plan to borrow in the next three months, compared to 28% in IRM-3 and 27% in IRM-2. More people in the higher impact districts intend to borrow than was the case before. This trend was also found in IRM-3.<sup>37</sup> However, the difference in borrowing intentions is widening between people living in severely hit districts and those in other districts. Whereas 45% of people in severely hit districts plan to borrow, only 19% in crisis hit districts, 17% in hit with heavy losses districts and 10% in the hit district intend to borrow in next three months (Table 4.6). Ramechhap continues to be the district where the largest share of people (65%) plan to borrow.

<sup>37</sup> IRM-3 quantitative report, p. 62.

**Table 4.6:** Share of people who plan to borrow in the next three months – by district impact and district (IRM-4, weighted)

	Yes	No	Refused	Don't know
<b>Severely hit</b>	<b>45%</b>	<b>48%</b>	<b>0%</b>	<b>7%</b>
Dhading	54%	35%	0%	10%
Gorkha	33%	60%	0%	7%
Nuwakot	41%	55%	0%	4%
Ramechhap	65%	32%	0%	3%
Sindhupalchowk	40%	53%	1%	7%
<b>Crisis hit</b>	<b>19%</b>	<b>69%</b>	<b>0%</b>	<b>11%</b>
Bhaktapur	24%	62%	0%	14%
Kathmandu	17%	73%	0%	11%
Okhaldhunga	43%	43%	0%	14%
<b>Hit with heavy losses</b>	<b>17%</b>	<b>44%</b>	<b>0%</b>	<b>39%</b>
Lamjung	21%	57%	0%	22%
Solukhumbu	11%	23%	1%	66%
<b>Hit</b>	<b>10%</b>	<b>67%</b>	<b>1%</b>	<b>22%</b>
Syangja	10%	67%	1%	22%

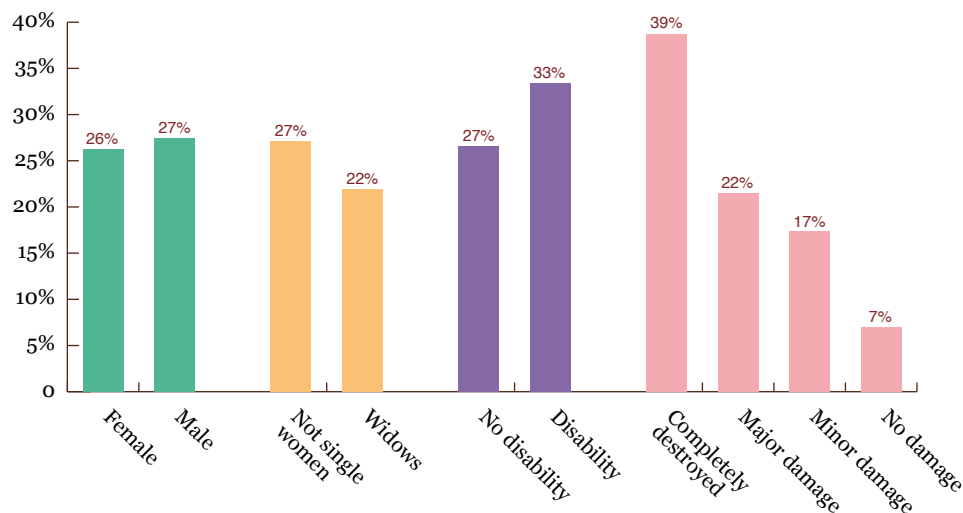
**Intention to borrow is associated with remoteness, earthquake impact on housing and disability.**

More people in remote and more remote areas plan to borrow compared to people in less remote areas. Thirty-four percent of people in remote and more remote areas planned to borrow, 15 percentage points more than those in less remote areas. As shown in Figure 4.6, intention to borrow is stronger among people with a disability and those who have suffered greater damage to their houses. The difference by gender is very small.

**Low income and low caste people are more likely to plan to borrow.**

Thirty-seven percent of individuals in the low income group plan to borrow. This is 11 percentage points more than those in the medium income group, and almost twice as likely than those with a higher income. Low caste people are 2 and 3 percentage points more likely than high caste people and Janajatis to say they will borrow in the next three months.

**Figure 4.6:** Share of people who intend to borrow in the next three months – by gender, widows, disability and housing damage (IRM-4, weighted)



**As the sums required for reconstruction are much larger, the risk of debt traps increases.**

The qualitative research found widespread concerns of people that they may fall into debt traps. Sunita Shrestha, President of the King Village Saving Cooperative in Syaule VDC, Sindhupalchowk said, “we have a savings and credit group formed by 20 women, of which 17 have taken a loan from the group. Most of them are for house reconstruction. Before the earthquake, people would borrow a small amount for

household purposes, but now it is much more larger.” If households are borrowing because they cannot afford to rebuild with their incomes, it is unlikely that they will have the funds to repay loans, leading to a high risk of debt traps. This is particularly an issue for marginalized Dalits who often have little or no valued assets. For example, in Nele VDC, Solukhumbu, Dalit families reported that they borrowed anywhere from NPR 300,000 to NPR 500,000. Many families fear a long and vicious cycle of debt burden.



## Frequent borrowing

**More frequent borrowing appears to have increased overall debt.**

Overall, there are 56% of people who are intermittent borrowers, having borrowed once or twice in IRM-2, IRM-3 and IRM-4, and 20% who have borrowed in all

three time periods. Those who borrowed in all three time periods covered in the last three surveys are 14 percentage points more likely to report increased debt compared to those who have borrowed intermittently (Table 4.7). This suggests that people are currently not able to pay off loans they have taken.

**Table 4.7:** Overall debt – by borrowing frequency (IRM-2, IRM-3, IRM-4 panel, unweighted)

		Increased	No change	Decreased	Don't know/ refused
Borrowing frequency	Intermittent borrowing	49%	38%	12%	1%
	Borrowed in all 3 rounds	63%	24%	12%	0%
	Did not borrow during last 3 rounds	8%	73%	8%	10%

**People with more housing damage and lower pre-earthquake income are more likely to become frequent borrowers.**

People who have sustained more damage to their house are more likely to borrow regularly. As shown

in Table 4.8, people with completely destroyed houses are 8 percentage points more likely to borrow in all three rounds of surveys than those who suffered major or minor damage to their house, and almost three times as likely to borrow in all three rounds as those whose house was not damaged.

**Table 4.8:** Borrowing frequency – by housing damage (IRM-2, IRM-3, IRM-4 panel, unweighted)

	Intermittent borrowing	Regular borrowing	Did not borrow during last 3 rounds
Completely destroyed	56%	23%	20%
Major damage	58%	15%	27%
Minor damage	52%	15%	33%
No damage	45%	8%	47%
Don't know	67%	0%	33%

*\*Note: Intermittent borrowing: borrowed once or twice in IRM-2/IRM-3/IRM-4. Regular borrowers: Borrowed in all three surveys.*

People with low pre-earthquake income levels are more likely to be borrow in all three research periods (23%). They are 5 percentage points more likely than those in the medium income group, and 8 points more likely than high income individuals, to be regular borrowers. This trend was first reported in IRM-3 report,<sup>38</sup> but the evidence presented here is stronger and it confirms the ongoing trend of the poorer having to borrowing increasingly frequently. It suggests that low income individuals who have borrowed are the most vulnerable of falling into a debt trap.

**Those living in more affected districts and those in more remote areas are more likely to borrow repeatedly.**

As shown in Table 4.9, larger shares of people in severely (21%) and crisis hit (27%) districts are borrowing repeatedly, compared to hit with heavy losses (3%) and hit (19%) districts. Okhaldhunga has the highest share of people (46%) who have borrowed in all three rounds of the survey.<sup>39</sup> People in more remote areas are 5 percentage points more likely to borrow regularly than those in remote areas, and twice as likely to borrow regularly compared to those in less remote areas.

<sup>38</sup> IRM-3 quantitative report, p. 60.

<sup>39</sup> Okhaldhunga has third highest number of more remote areas after Solukhumbu and Gorkha. It has the highest level of poverty (80% mention they are in the low income category).

**Table 4.9:** Borrowing frequency – by district impact, district and remoteness (IRM-2, IRM-3, IRM-4 panel, unweighted)

	Intermittent borrowing	Borrowed in all 3 rounds	Did not borrow during last 3 rounds
<b>Severely hit</b>	<b>59%</b>	<b>21%</b>	<b>20%</b>
Dhading	62%	24%	14%
Gorkha	57%	17%	26%
Nuwakot	64%	15%	22%
Ramechhap	61%	28%	12%
Sindhupalchowk	56%	19%	26%
<b>Crisis hit</b>	<b>47%</b>	<b>27%</b>	<b>26%</b>
Bhaktapur	50%	5%	46%
Kathmandu	54%	6%	40%
Okhaldhunga	43%	46%	11%
<b>Hit with heavy losses</b>	<b>52%</b>	<b>3%</b>	<b>45%</b>
Solukhumbu	57%	3%	40%
Lamjung	49%	3%	48%
<b>Hit</b>	<b>56%</b>	<b>19%</b>	<b>25%</b>
Syangja	56%	19%	25%
<b>Less remote</b>	<b>57%</b>	<b>12%</b>	<b>31%</b>
<b>Remote</b>	<b>55%</b>	<b>21%</b>	<b>24%</b>
<b>More remote</b>	<b>55%</b>	<b>26%</b>	<b>19%</b>

**Unsuccessful borrowing has increased slightly especially people in higher impact districts.**

Compared to only 4% of people in IRM-2 who were unsuccessful in borrowing, 6% of people in IRM-4 tried to borrow but were unsuccessful. More people in severely and crisis hit districts are unsuccessful compared to those in the bottom two categories of earthquake impact. This may suggest a higher demand for capital in higher impact districts to cope with the disaster effect. Borrowing success does not associate well with remoteness

**Unsuccessful borrowing is increasing among people of higher caste and higher income.**

More higher caste people were unsuccessful borrowers in IRM-4 (8%) than is the case for low caste people (6%) or Janajatis (5%). Across surveys and over time, the proportion of borrowers who are unsuccessful is increasing for those of high caste and Janajatis (Figure 4.7). People in the low and high income group are increasingly likely to be unsuccessful, although the margin is much higher for the high income group.

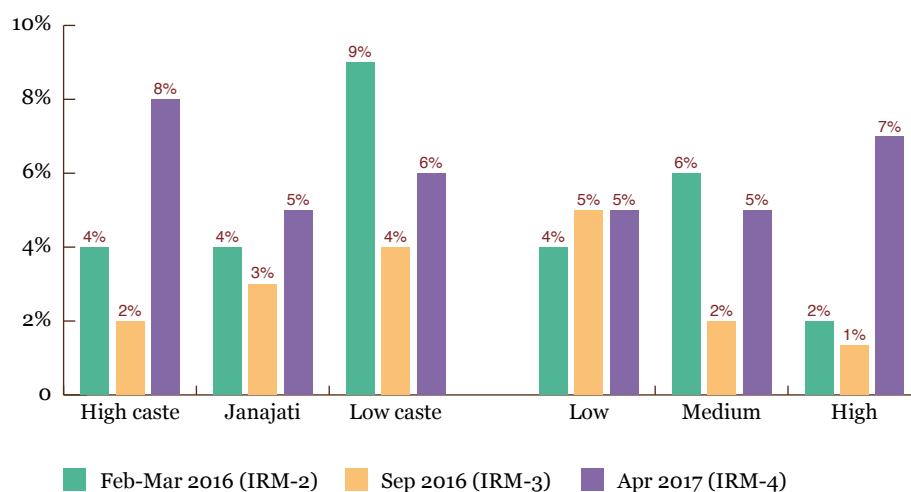
**Figure 4.7:** Unsuccessful borrowers – by caste and pre-earthquake income (IRM-2, IRM-3, IRM-4, weighted)



Photo: Chiran Manandhar

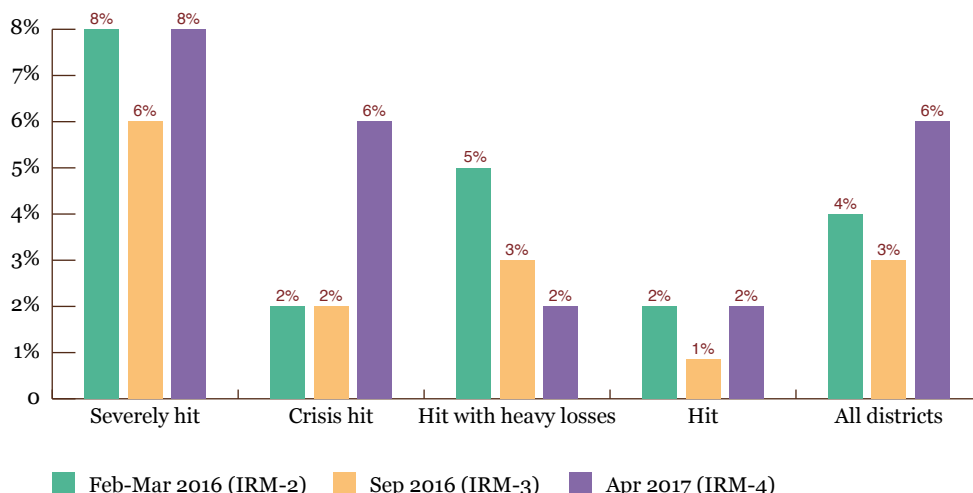
## 4.2 Sale of assets

**Sales of assets have increased and are the most frequent in more affected districts.**

While only 4% of people said they sold assets in IRM-2,

and 3% in IRM-3, 6% now report having sold assets in the last eight months (Figure 4.8). This rise in asset sales is largely in the crisis hit districts. Sales of assets remain highest in the severely hit districts.<sup>40</sup>

**Figure 4.8:** Share of people who sold assets to cope with the earthquake impacts – by district impact (IRM-2, IRM-3, IRM-4, weighted)



Borrowing frequency and where people live correlates with the likelihood of asset sales. Those who have borrowed repeatedly since February 2016 (IRM-2) are more than twice as likely as those who have not borrowed in any of the three waves to sell assets to cope with earthquake impacts. They are 3 percentage points more likely than those who have borrowed intermittently. While 6% of people living in their own

houses sold assets in IRM-4, 9% living in shelters on their own land and 8% living in shelters on others' land sold assets to cope with the disaster.

<sup>40</sup> District level analysis does not provide robust results because of the small proportions.

### Case Study 4.2: Household reconstruction through labor migration in Baruwa VDC, Sindhupalchowk

Sanumaya Tamang was 15 when the earthquake struck, and she was studying in the sixth grade at school. Fears of tremors after the earthquake led her to leave school and Baruwa. She lived in Kathmandu for a year, and learnt carpet weaving. She returned to the village after a year but did not go back to school as it had already been over a year. Instead she started weaving carpets, earning NPR 12,000 per pair. Sanumaya plans to go abroad to work. Her elder sister was also in Dubai before, returning recently. Now, Sanumaya desperately wants to go abroad to earn money to support her family. Her house has not yet been rebuilt and her family is not in the beneficiary list. Sanumaya said, “if we will not get money from the government then I will go abroad and send money to rebuild the house.”

Shukman Syangbo Tamang adds, “I could not rebuild my house staying in Nepal so I am planning to go abroad. I was in Malaysia, but I came back after 11 months because I lost my mother and other relatives in the earthquake. I still have to repay NPR 100,000 taken to migrate then.”

Seasonal migration to Ladakh in India is a common phenomenon, where locals from Baruwa work for six months a year. Ram Bahadur Lopchan said, “I took a loan from relatives to rebuild the house. I do not like to take a loan from the bank. If I cannot repay the loan from the bank, I will lose my house again. So, I’m planning to go to Ladakh to repay the loan I’ve taken.”

***More people have identified remittance as main source of income especially among those living in remote areas and those with high pre-earthquake income.***

Fifteen percent of people in affected areas say remittances were one of their main income sources in IRM-4, compared to 9% in IRM-1. However, remittances still tend to be more important in less affected districts. They are most important for people in remote areas and have also increased sharply in such areas. Remittances are more important as an income source for those with a high pre-earthquake income and have grown in importance most for this group. Level of housing damage does not have a strong effect on the likelihood that people say remittances are an important income source.

***Migration remains more or less the same and most who plan for out migration tend to be from high impact districts.***

Overall, 65% of people say migration levels have remained the same, 20% say they have decreased and 4% say levels have decreased. There is no clear pattern in reported migration by the level of earthquake impact. Only 3% said that they, or someone in their family, planned to migrate in the next year. A majority

of those who have a plan to migrate are from severely hit districts (61%) or crisis hit ones (28%). A higher proportion of people from remote and less remote areas plan to migrate abroad, but a majority of people in more remote areas who plan to migrate in the next 12 months plan to migrate within the country. There is no consistent relationship between income level, earthquake impact or level of debt and where people want to migrate to.

***Some have moved to work abroad in order to help their family pay for rebuilding or repay loans while some have stayed as daily wages for construction have risen.***

According to a local NGO in Sindhupalchowk, 70% of people who were migrating explain that their motive in going abroad is to earn money to rebuild their homes and pay off loans. Labor migrants explain that is impossible to rebuild without extra earnings and agricultural production is merely sufficient for six months.

In contrast, in Barpak VDC, the incidence of labor migration has slightly decreased as locals are working for wage labor and earning well. Around 10 to 15 people had returned to Barpak after the earthquake and were working in housing reconstruction and some who were planning to go abroad have postponed their

## 4.3 Remittances and migration

plans due to the labor opportunities. However, it is likely that labor migration will increase in Barpak once reconstruction work opportunities decrease. Some respondents stated that they will need to work abroad in order to repay their loans.



## Chapter 5

# Politics, Social Cohesion and Conflict



Photo: Nayan Pokharel

## 5.1 Roles of political parties in the provision of aid

### ***The limited room for formal engagement of political parties in the recovery and reconstruction processes at the local level continues to hold true in IRM-4.***

As reported in IRM-3, new policies and guidelines, issued after the establishment of the NRA in early 2016, either explicitly prohibit political party involvement in reconstruction at the local level or do not mention political parties.<sup>41</sup> Political parties had not carried out any earthquake-related activities since IRM-3 in any of the wards, VDCs or districts visited during the qualitative research.

### ***The informal roles of political parties in relation to the recovery and reconstruction process have also declined, partly due to them no longer being needed.***

The informal roles of political parties that were reported in IRM-3,<sup>42</sup> were not observed during IRM-4. These roles had included providing logistical assistance in the reconstruction cash grant agreement process, information dissemination, leading protests on behalf of community members not satisfied with the CBS damage assessment, and settling disputes between community members and local officials.

In IRM-3, political parties were actively engaged in facilitating agreements between protesting community members who were not included in the beneficiary lists and district officials. However, qualitative field data from IRM-4 does not show any effort on the part of political parties to follow up on the agreements that they had facilitated during IRM-3. In Solukhumbu, where beneficiary agreement process had just begun during the field visit, the data indicate that political parties were not involved in the CBS assessment

<sup>41</sup> IRM-3 qualitative report, p. 33. The reconstruction process is governed by the Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (<http://nra.gov.np/uploads/docs/EunALRqKz4160520062602.pdf>); Reconstruction of Structure Damaged by Earthquake Rules 2016 (available at: <http://nra.gov.np/uploads/docs/ccy9p7aMe7160424102050.pdf>); The Procedures Relating to Grievances Management with Regard to Reconstruction and

Restitution 2016 (available at: <http://nra.gov.np/download/details/132>) and Procedure for the Technical Supervision of the Reconstruction of Private Houses 2016 (available at: <http://nra.gov.np/uploads/docs/KSddafxXzp16111065308.pdf>). None of the procedures, rules and guidelines describe official roles for political parties and their local representatives.

<sup>42</sup> IRM-3 qualitative report, pp.32-33, pp. 38-40.

process. A decline in the informal roles of political parties is partly due to limited aid distribution in communities, the slow progress in distributing the reconstruction cash grant since IRM-3, and the announcement of local elections.

***The restructuring of local government units and the announcement of local elections increased political activities.***

Compared to IRM-3, the presence of local political parties and their activities were found to have increased during IRM-4. The increase in political activities was primarily due to the restructuring of local government units and the announcement of local elections (see below). In all VDCs but one visited in the qualitative research (Barpak VDC in Gorkha), political party activities were reported. Parties held regular internal meetings, reorganized local party units and began preparations for local elections. In Baruneshwor VDC in Okhaldhunga parties organized protests against the restructuring of local units.

***Increased activities did not mean that parties were working on reconstruction issues or able to affect the recovery and reconstruction process.***

There were only two cases found where political parties were working on reconstruction. In Baruwa VDC in Sindhupalchowk the CPN-UML claimed that it was lobbying for a “new program” that would increase the amount of the reconstruction cash grant; in Dhuwakot VDC in Gorkha a local leader claimed that political parties regularly raise issues concerning earthquake victims at the district headquarters. However, in general, no political party claimed that they were engaged in or were planning to focus on recovery and reconstruction activities.

## **Satisfaction with political parties**

***People continue to remain disappointed with political parties regarding their post-earthquake role.***

Although, community members regularly raised their concerns with local political parties and their representatives with regard to the CBS damage assessment

No incidents of protest or political interference were reported in the distribution of the reconstruction cash grant or in the work of NGOs since IRM-3. This can probably be attributed to the limited reconstruction cash grant distribution in Gorkha, Okhaldhunga and Sindhupalchowk and the absence of beneficiary agreements in Solukhumbu. The protests that did take place in the VDCs and wards visited for the field study were all in response to the decision taken in Kathmandu to restructure local government units (see below). In Baruneshwor VDC, for example, political parties organized a protest against local level restructuring of the VDC. However, the protest did not affect the recovery and reconstruction process in the VDC.

The District Coordination Committees (DCC),<sup>43</sup> formed under the NRA and which involve local politicians, have become even less active since IRM-3. Researchers could not find any evidence of DCC meetings being held since IRM-3 in three districts (Gorkha, Okhaldhunga and Sindhupalchowk) where DCCs had been established earlier. In Solukhumbu, a DCC was yet to be established. A government official felt that the inactivity of the DCC was due to the limited authority given to DCCs.

***Political parties and local government officials continued to work with each other and relied on each other to make decisions affecting local governance.***

Political parties continued their customary influence on the local administration and decision-making processes concerning local development, the budget allocation and other activities, but not on issues relating to post-earthquake recovery and reconstruction. Furthermore, there was no indication of conflict or a lack of cooperation from political parties in the administration of local governance in the VDCs visited during the qualitative research.

results and procedural hurdles in accessing the reconstruction cash grant, dissatisfaction with the role of political parties in assisting recovery remains high.

According to the quantitative survey, 59% of people in all affected districts expressed dissatisfaction with local political parties’ assistance with disaster relief

<sup>43</sup> According to the NRA’s Post-Disaster Recovery Framework (PDRF), in each of the 31 earthquake-affected districts a District Coordination Committee (DCC) (not to be confused with the District Coordination Committee, formerly known as District Development Committee, which is responsible for overall development activities and local governance in a district) was to be

established to coordinate and monitor reconstruction in districts. The DCC includes district officials and Members of Parliament from the concerned district and is led by a Member of Parliament on a rotational basis. [http://reliefweb.int/sites/reliefweb.int/files/resources/PDRF%20Report\\_FINAL10May.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/PDRF%20Report_FINAL10May.pdf)

since August 2016 (Table 5.1). People in the hit with heavy losses districts were the most likely to be satisfied with local political parties (42%), while those in crisis hit districts were the most likely to be dissatisfied (66%). Respondents in Sindhupalchowk and Kathmandu expressed the highest level of dissatisfaction

with political parties. People in less remote regions were 20 percentage points more likely to be dissatisfied than those in more remote regions. Groups that are generally considered more privileged because of their socio-economic status expressed higher levels of dissatisfaction with local political parties.

**Table 5.1:** Satisfaction with local political parties since the last monsoon – by district impact and district (IRM-4, weighted)

	Satisfied	Not satisfied	Don't know/refused
<b>Severely hit</b>	<b>28%</b>	<b>49%</b>	<b>23%</b>
Dhading	28%	43%	29%
Gorkha	37%	42%	21%
Nuwakot	23%	50%	26%
Ramechhap	31%	40%	29%
Sindhupalchowk	21%	69%	10%
<b>Crisis hit</b>	<b>19%</b>	<b>66%</b>	<b>15%</b>
Bhaktapur	34%	59%	7%
Kathmandu	15%	69%	15%
Okhaldhunga	34%	43%	23%
<b>Hit with heavy losses</b>	<b>42%</b>	<b>55%</b>	<b>2%</b>
Lamjung	43%	56%	1%
Solukhumbu	41%	55%	4%
<b>Hit</b>	<b>11%</b>	<b>51%</b>	<b>39%</b>
Syangja	11%	51%	39%
<b>All districts</b>	<b>23%</b>	<b>59%</b>	<b>20%</b>

Among 233 community members that were interviewed during the qualitative field research, 162 were dissatisfied with political parties in some way. Only 44 community members said that they were satisfied or somewhat satisfied with political parties. The field data from Barpak VDC suggests that the displaced and Dalit populations, in particular, were not happy with the role of political parties since the earthquake.

***People's perceptions of whether aid was distributed fairly by VDC/municipality appear to have a strong influence on how satisfied they are with political parties.***

Those who felt the VDC/municipality distributed aid fairly were almost twice as likely as those who felt they did not distribute it fairly to be satisfied with political parties (Table 5.2).

**Table 5.2:** Satisfaction with local political parties – by perceptions of whether VDC/municipality has been distributing aid fairly (IRM-4, weighted)

		Satisfaction with local political parties on assistance with disaster relief since last monsoon		
		Satisfied	Not satisfied	Don't know/refused
Do you agree VDC/municipality is distributing aid fairly since the end of the last monsoon	Agree	31%	49%	19%
	Disagree	16%	70%	14%
	Don't know/refused	12%	56%	32%



**More people were dissatisfied with how local political parties had informed them about aid than were satisfied and people commonly thought that VDCs and municipalities were not distributing aid fairly.**

The share of people who were not satisfied with the information about aid they received from political parties was 10 percentage points more than the share

who were satisfied. People's assessment of VDC/municipality fairness is also likely to influence their perception about how local parties communicated with people in earthquake-affected areas (Table 5.3). People who said that the VDC/municipality did poorly in distributing aid were more likely to be dissatisfied with how local political parties communicated with them about aid.

**Table 5.3:** Satisfaction with how local political parties inform about aid – by perceptions of whether VDC/municipality has been distributing aid fairly (IRM-4 weighted)

		Satisfaction with how local political parties informs you about aid since the end of the last monsoon		
		Satisfied	Not satisfied	Don't know/refused
Do you agree VDC/municipality is distributing aid fairly since the end of the last monsoon	Agree	34%	44%	22%
	Disagree	19%	65%	17%
	Don't know/refused	15%	55%	31%

## 5.2 Local elections and local body restructuring

**People did not think that the creation of new local units in place of existing municipalities and VDCs would have a significant impact on the recovery and reconstruction process.**<sup>44</sup>

Local officials in 11 out of the 12 VDCs visited during the qualitative study were confident that the restructuring of local government units would not negatively affect the reconstruction process. Local officials in those VDCs stated that beneficiaries of the reconstruction cash grant would be served from the same place/office as before, even though local government units had changed. The one exception was Syaule VDC in Sindhupalchowk, where local officials showed apprehension, believing that the change in local government units would slow down the distribution of the second instalment of the housing cash grants as they were not well informed of their roles under the new local

governance arrangements. In Solokhumbu, where the CBS assessment was at the final stage of completion during IRM-4, the planned restructuring of local units had no impact on the assessment process.

**Preparations for the local elections had an impact on the reconstruction process. The main impact was the temporary suspension of the distribution of reconstruction cash grants until the end of the elections.**

As the code of conduct for the elections came into force at the start of March 2017, the distribution of reconstruction cash grants in the villages was halted. According to the Election Code of Conduct 2015<sup>45</sup>, the government is barred from conducting or transferring funds for new programs that are not included in the annual budget and program of the state after the an-

<sup>44</sup> The Constitution of Nepal promulgated in 2015 created three tiers of government: local government, state government and federal government. In March 2017, the Commission for Restructuring of Village, Municipalities, and Special, Protected and Autonomous Area, commonly known as the Local Body Restructuring Commission (LBRC), recommended the establishment of 744 new local government units that replaced over 3,000 previous local units, VDCs and Municipalities. For more information, see

DRCN, *Preliminary Findings on Local Body Restructuring at the Local Level*, September 8, 2016, available at: [https://drcnepal.files.wordpress.com/2016/09/drcn\\_local-body-restructuring-in-nepal\\_-09-08-16.pdf](https://drcnepal.files.wordpress.com/2016/09/drcn_local-body-restructuring-in-nepal_-09-08-16.pdf). See also a follow up note, available at: [http://democracyresource.org/admin/images/Local%20body%20Restructuring%20Statement\\_Nepali.pdf](http://democracyresource.org/admin/images/Local%20body%20Restructuring%20Statement_Nepali.pdf).

<sup>45</sup> <http://www.election.gov.np/ecn/uploads/userfiles/electioncodeofconductFinal2073-12-25withsecondamendment.pdf>.

nouncement of elections. Although the reconstruction cash grant is not a new program, and it was part of the annual budget of 2016/17, local officials in all districts decided that the Code of Conduct was still applicable. As a result, distribution of the first instalment in Solukhumbu, and of the second and third instalment in the three other districts, was halted. The process of grant distribution was also halted for households who had recently become eligible beneficiaries after their complaints were addressed as part of the grievance process and they were added to the beneficiary list.

***Preparations for the local elections also affected the NRA’s grievance management efforts in Gorkha.***

The Chief District Officer (CDO) in Gorkha accepted that district officials would not be able to complete re-verification of grievance applications sent from the NRA to the district before the end of the elections on May 14, 2017, as they had to carry out elections-related responsibilities and could not focus solely on reconstruction cash grant distribution.

## Vote preferences and perceptions of the local elections

***With local elections approaching, visits by elected officials in the earthquake areas increased. The visits may have had some influence on voting preferences.***

Reports of visits by elected officials increased compared to the six months leading up to September 2016. However, more people reported visits from officials in June 2015, right after the earthquakes, than was the case since IRM-3. For people in earthquake-affected areas, visits from elected officials may have had some bearing on their voting intentions. When asked what party people would vote for, two in 10 did not answer the question regardless of whether or not they reported officials had recently visited (Figure 5.1). However, where officials had visited, and especially where they visited a lot, people were less likely to say they do not know who they would vote for.

***The ability of candidates/parties to support reconstruction and recovery in earthquake-affected area was a factor determining voting choices but not the most prominent one.***

When asked about the most important factors when choosing political candidates in the upcoming elections, more than two-thirds of people said they favored a candidate/party that they felt supported local development (Table 5.4). The next most important reason was family loyalty to a party (30%). Social pressure also seemed to be a key factor, as 25% mentioned that

***The application of the Election Code of Conduct also affected the work of NGOs and INGOs.***

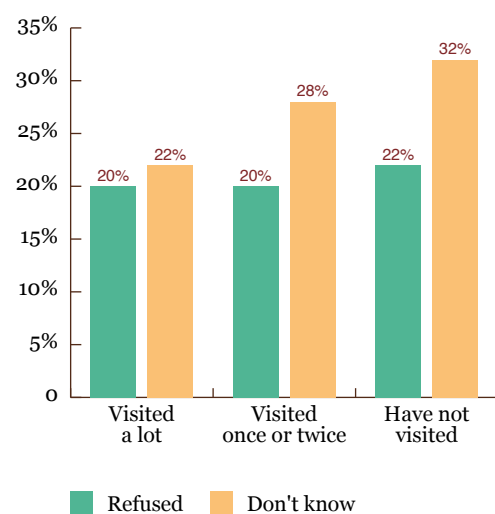
District authorities instructed NGOs and INGOs not to distribute relief materials or implement new programs relating to earthquake reconstruction in the month preceding the first phase of local elections in mid-May 2017. NGOs and INGOs in Gorkha, for example, were instructed by district officials not to distribute aid to people before the end of the elections.<sup>46</sup> Similarly, the VDC Secretary in Lisankhu VDC in Sindhupalchowk requested that organizations working on reconstruction in the district stop implementing new programs until the end of the elections.

***The local elections were also expected to impact the availability of masons.***

According to a senior police officer in Sindhupalchowk, many young people who had received masonry training had joined the temporary police force in the district. In all districts where elections were scheduled, the Government of Nepal had hired local youths as temporary police for the duration of the election period.

they would support a candidate/party in line with the choice of their friends. Twenty percent of people said that the ability of candidates/parties to support reconstruction and recovery in earthquake-affected area was a key factor.

**Figure 5.1:** Share unsure who to vote for – by whether elected officials visited area (IRM-4, weighted)



<sup>46</sup> My Republica, I/NGOs asked to halt work until elections, available at: <http://www.myrepublica.com/news/17845/>



**Table 5.4:** Factors determining voting choice – by district impact and district (IRM-4, weighted)

	Party/candidate most likely to support development in this area	Party/candidate most likely to improve earthquake recovery and reconstruction	Party is new	Candidate/party is least likely to be corrupt	I/my family always vote for this party/candidate	My friends will vote for this party/candidate	Personal/family connection with the party/candidate	Candidate/party has done personal favors for me/my family	Party raises voice for marginalized people
<b>Severely hit</b>	69%	34%	6%	16%	36%	25%	20%	4%	6%
Dhading	93%	35%	2%	20%	50%	13%	33%	3%	11%
Gorkha	48%	24%	4%	7%	24%	32%	13%	1%	8%
Nuwakot	70%	37%	12%	37%	27%	19%	32%	7%	2%
Ramechhap	64%	41%	2%	8%	29%	25%	12%	2%	2%
Sindhupalchowk	68%	34%	7%	9%	42%	37%	9%	7%	4%
<b>Crisis hit</b>	69%	11%	2%	16%	27%	25%	14%	1%	2%
Bhaktapur	65%	11%	0%	3%	28%	12%	7%	2%	3%
Kathmandu	71%	9%	3%	19%	25%	26%	15%	1%	2%
Okhaldhunga	51%	33%	3%	8%	48%	47%	16%	2%	3%
<b>Hit with heavy losses</b>	72%	43%	4%	26%	34%	30%	26%	6%	6%
Lamjung	71%	35%	2%	23%	37%	31%	23%	6%	9%
Solukhumbu	75%	57%	7%	32%	28%	29%	32%	6%	0%
<b>Hit</b>	34%	6%	2%	4%	23%	24%	7%	6%	2%
Syangja	34%	6%	2%	4%	23%	24%	7%	6%	2%
<b>All districts</b>	67%	20%	3%	16%	30%	25%	16%	3%	3%

Unsurprisingly, those whose house sustained major damage or complete destruction were nearly twice as likely than those with minor damage, and four to

five times more likely than people with no damage, to prefer candidates who they thought would focus on recovery and reconstruction.

**Table 5.5:** Factors determining voting choice – by housing damage (IRM-4, weighted)

	Party/candidate most likely to support development in this area	Party/candidate most likely to improve earthquake recovery and reconstruction	I/my family always vote for this party/candidate	My friends will vote for this party/candidate	Personal/family connection with the party/candidate
Completely destroyed	69%	27%	32%	27%	20%
Major damage	64%	24%	30%	29%	14%
Minor damage	64%	13%	32%	26%	14%
No damage	64%	6%	22%	17%	11%

High caste people were 18 percentage points more likely than low caste and 6 points more likely than Janajatis to prioritize local development when choosing a party/candidate while low caste people were more likely than others to prioritize reconstruction and recovery.

***A small proportion of respondents thought that elections would not be free and fair. Booth capture and proxy voting were the primary concerns.***

Four in 10 people in earthquake-affected areas said they thought the upcoming elections would be free and

fair but three in 10 were unsure. Another 17% thought they would not be free and fair and 12% said they would be free and fair but with some minor glitches. Those who thought the elections would not be free and fair or that there would be minor glitches were asked what issues could arise. The top three issues were

booth capture (34%), proxy voting (28%), and pre-election intimidation (17%). Fewer people mentioned procedural and political issues surrounding this election such as the hurried way elections were being held amidst Madhesi parties' protests (4%) or the formalities of holding the election (3%).

## Outlook on earthquake reconstruction work after the local elections

### *Beliefs that the local election results would have positive impact on reconstruction were mixed.*

In the qualitative fieldwork, community members in all three VDCs in Solukhumbu felt that reconstruction in their VDCs would quicken after the local elections. In Barpak and Dhuwakot VDCs in Gorkha, political parties promised better reconstruction as their campaign pledge.

Data from the survey shows mixed feelings. Overall, four in 10 said that reconstruction would operate the

same way as before after the elections, but they were more likely to be optimistic (4% much better, 34% much better) than pessimistic (1% somewhat worse, 1% much worse) – Table 5.6. Except in the hit with heavy losses districts, at least one-quarter were unsure what the elections would mean for reconstruction work. In Ramechhap, nearly six in 10 were optimistic about the outcome of the local elections as it relates to earthquake reconstruction work. Just over four in 10 in Sindhupalchowk, Lamjung, Bhaktapur, Okhaldhunga and Solukhumbu agreed. Optimism about local elections was lowest in Kathmandu (27%).

**Table 5.6:** Outlook on earthquake reconstruction work as a result of the local elections – by district impact and district (IRM-4, weighted)

	Much better	Somewhat better	Same	Somewhat worse	Much worse	Don't know
<b>Severely hit</b>	<b>6%</b>	<b>34%</b>	<b>36%</b>	<b>1%</b>	<b>0%</b>	<b>23%</b>
Dhading	9%	30%	24%	2%	1%	35%
Gorkha	8%	23%	41%	1%	0%	25%
Nuwakot	3%	29%	48%	2%	0%	18%
Ramechhap	3%	55%	25%	0%	0%	17%
Sindhupalchowk	3%	40%	41%	1%	0%	13%
<b>Crisis hit</b>	<b>3%</b>	<b>26%</b>	<b>46%</b>	<b>1%</b>	<b>0%</b>	<b>23%</b>
Bhaktapur	3%	39%	39%	1%	0%	16%
Kathmandu	3%	24%	48%	1%	1%	23%
Okhaldhunga	4%	36%	30%	0%	0%	30%
<b>Hit with heavy losses</b>	<b>6%</b>	<b>39%</b>	<b>42%</b>	<b>4%</b>	<b>2%</b>	<b>7%</b>
Lamjung	2%	44%	37%	6%	3%	7%
Solukhumbu	12%	32%	49%	0%	0%	6%
<b>Hit</b>	<b>4%</b>	<b>33%</b>	<b>39%</b>	<b>1%</b>	<b>0%</b>	<b>22%</b>
Syangja	4%	33%	39%	1%	0%	22%
<b>All districts</b>	<b>4%</b>	<b>30%</b>	<b>42%</b>	<b>1%</b>	<b>1%</b>	<b>22%</b>

People in less remote areas were more likely to believe there would be no change in reconstruction work (51%), while one-third in more remote and remote areas said that they felt reconstruction would at least somewhat improve as a result of the local elections.

The perception that local elections would improve reconstruction work also rises slightly with income. Views among those who have received (at least part of) the RHRP housing grant and those who have not are nearly identical.

## 5.3 Security, crime and social cohesion

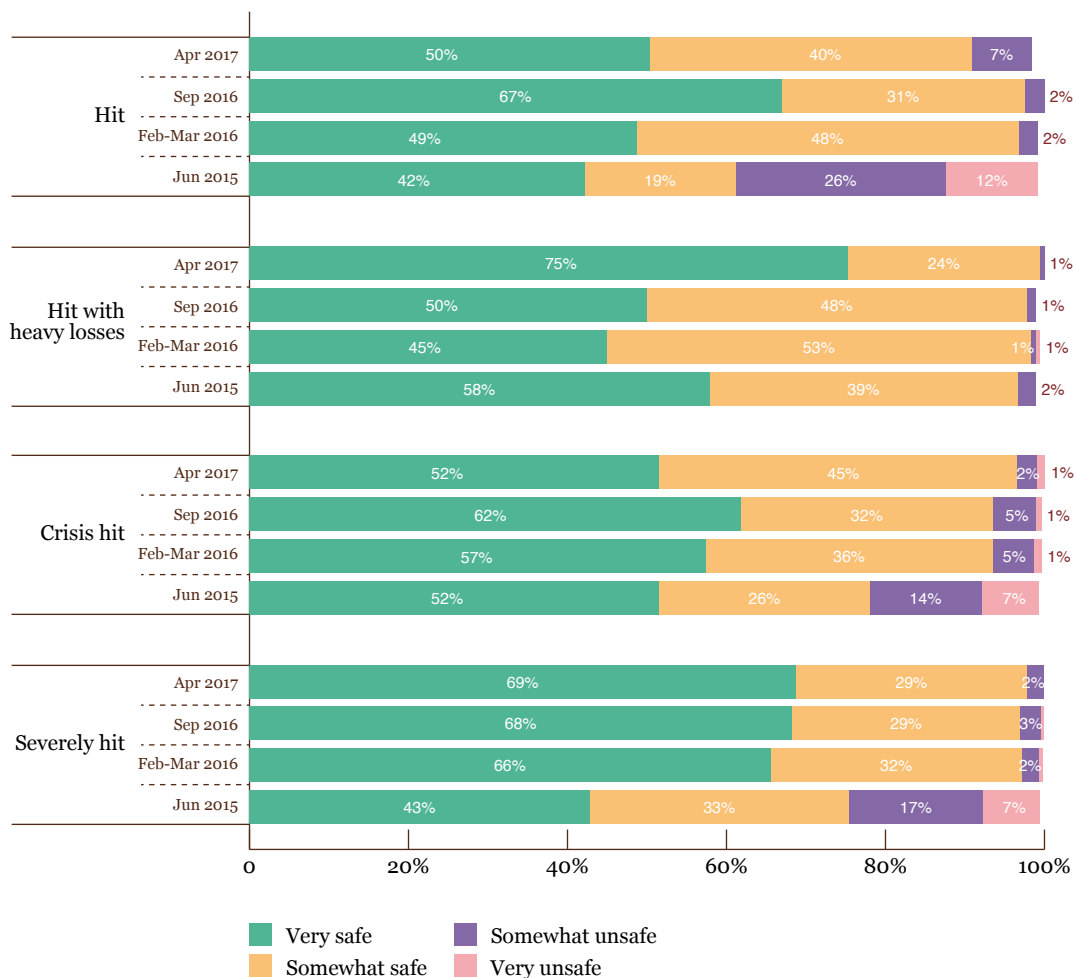
### Security and crime

**As in the previous rounds of research, most people reported that they felt safe and reports of violent incidents were few.**

People surveyed in all four survey rounds have felt either very safe or somewhat safe in their community. In the severely hit districts, right after the earthquake, four in 10 said they felt very safe (43% IRM-1);

the share saying so grew to nearly seven in 10 in subsequent rounds (66% IRM-2, 68% IRM-3, 69% IRM-4) – Figure 5.2. In the crisis hit districts, at least half have said they felt very safe in each round (highest in IRM-3 at 62%). The share who have said they felt very safe has also consistently been high in the hit with heavy losses and hit districts.

**Figure 5.2: Perceptions of security – by district impact**  
(IRM-1, IRM-2, IRM-3, IRM-4 household panel, unweighted)



As in previous surveys, there are not substantive differences in perceptions of safety between men and women. Two in 10 of both men and women felt unsafe after the earthquake in IRM-1. In subsequent surveys, only 3% of either gender have said they feel unsafe in their community.

There have been very few reports of violent incidents since the earthquakes. Five percent or less reported such incidents in any of the survey rounds (Table 5.7). Kathmandu residents have been by far the most likely to report a violent incident (19% in IRM-1, 8% in IRM-4).

**Table 5.7:** Share saying there was a violent incident in their community – by district impact and district (IRM-1, IRM-2, IRM-3, IRM-4 household panel, unweighted)

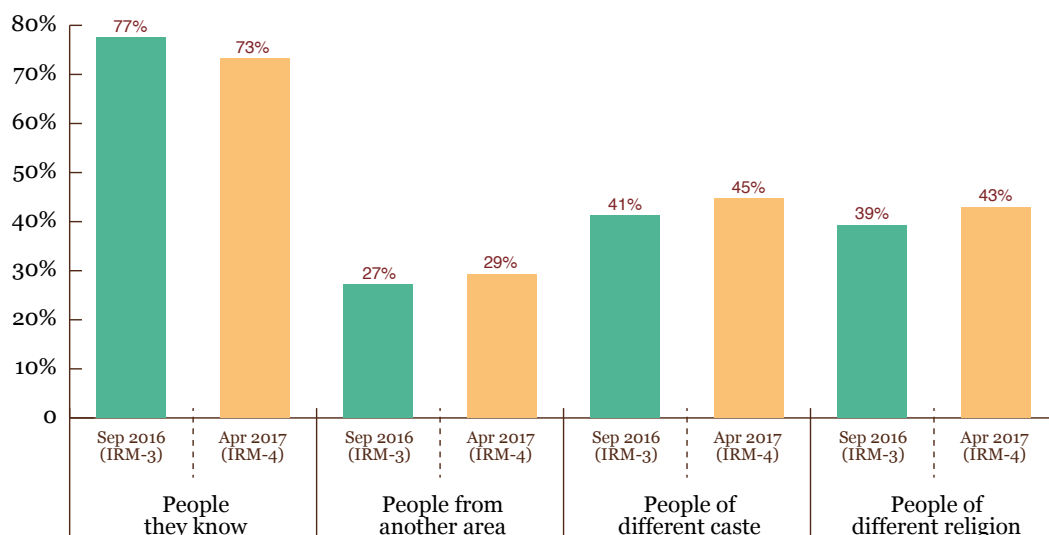
	Jun 2015 (IRM-1)	Feb-Mar 2016 (IRM-2)	Sep 2016 (IRM-3)	Apr 2017 (IRM-4)
<b>Severely hit</b>	<b>2%</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>
Dhading	5%	1%	0%	1%
Gorkha	1%	0%	3%	1%
Nuwakot	2%	1%	3%	2%
Ramechhap	0%	1%	1%	1%
Sindhupalchowk	1%	0%	3%	0%
<b>Crisis hit</b>	<b>5%</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>
Bhaktapur	5%	1%	0%	1%
Kathmandu	19%	0%	0%	8%
<b>Hit with heavy losses</b>	<b>3%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>
Okhaldhunga	2%	2%	2%	2%
Lamjung	3%	0%	0%	0%
Solukhumbu	3%	3%	0%	0%
<b>Hit</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>
Syangja	3%	2%	1%	1%
<b>All districts</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

## Social cohesion and social relations

### *Social relations in most affected areas remain good but trust is preserved for people they know.*

Very few people in earthquake-affected areas have said that most people can be trusted (9% IRM-2, 6% IRM-3, 6% IRM-4). Most think that you need to be very careful in dealing with people (91% IRM-2, 94% IRM-3, 94% IRM-4). Over seven in 10 people in earthquake-affected districts trust people they know (77% IRM-3, 73% IRM-4) – Figure 5.3. They find those who come from an area

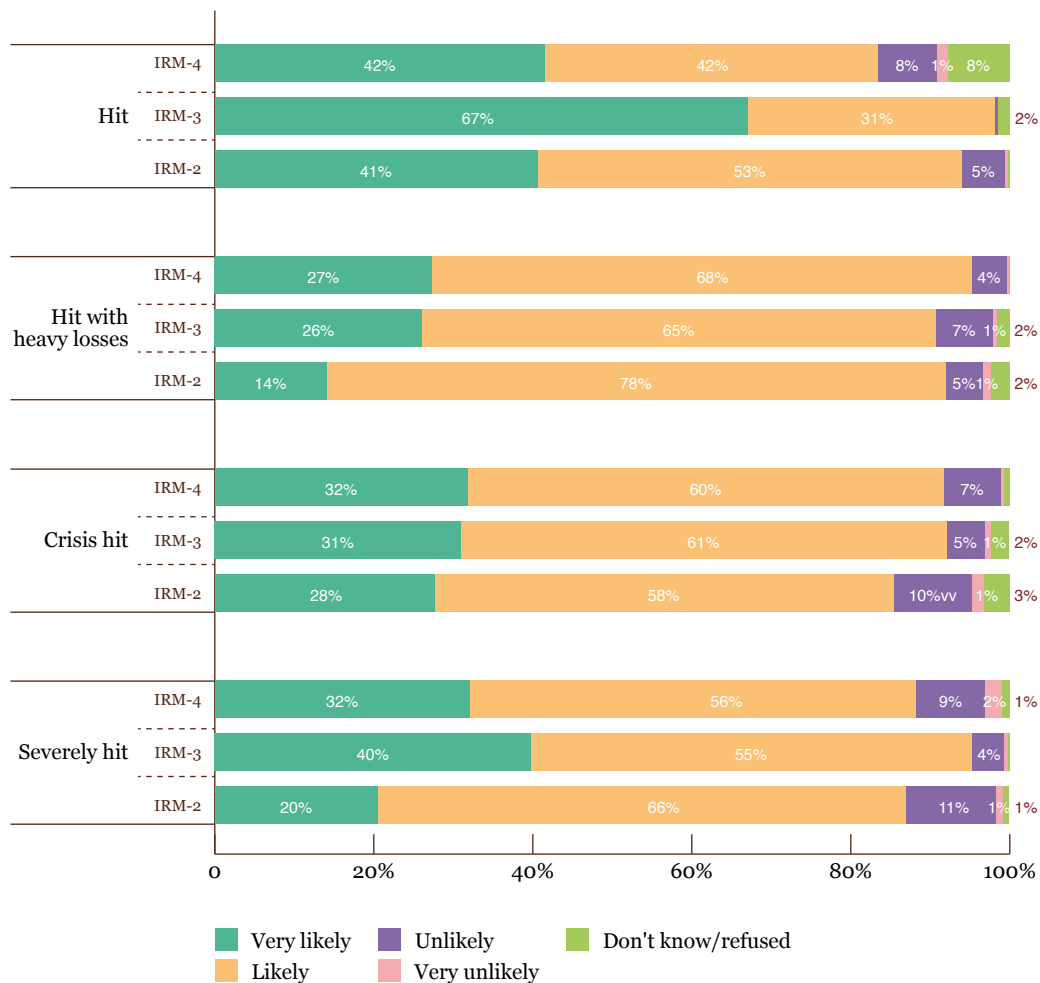
different from themselves the least trustworthy (27% IRM-3, 29% IRM-4). Just over four in 10 have said they trust people from a different caste (41% IRM-3, 45% IRM-4). Around four in 10 trust people belonging to a religion different than their own (39% IRM-3, 43% IRM-4). Trust in friends, family and neighbors is down slightly since IRM-3 (4 points), while trust in other groups has grown slightly – up 2 percentage points for people from a different area, 4 percentage points for people belonging to a different caste and 4 points for people following a different religion.

**Figure 5.3:** Share trusting different groups of people (IRM-3, IRM-4 household panel, unweighted)

People in earthquake-affected areas have consistently said that people in their community are likely to cooperate if the government asks them to conserve food or water in case of an emergency – Figure 5.4. In the severely hit districts, fewer people said people in their community would be very likely to conserve food or water in the earlier months after the earthquake (20%

IRM-2) compared to later surveys (40% IRM-3, 32% IRM-4). A similar trend is found in the hit with heavy losses districts (14% very likely in IRM-2, 26% IRM-3, 27% IRM-4). In the crisis hit districts, too, a slightly lower share said people would be very likely to cooperate in the earlier survey.

**Figure 5.4:** Likelihood of people in the community conserving food or water if asked by the government in case of an emergency – by district impact (IRM-2, IRM-3, IRM-4 household panel, unweighted)



Similar shares of men and women have said that community members would be very likely to cooperate the three times this question was asked. Those with a high pre-earthquake income have been more

likely than people with low or mid-level incomes to think that it is very likely that cooperation in their community would take place.



## Chapter 6

# Conclusions and Recommendations



Photo: Nayan Pokharel

## 6.1 Overview of conclusions

How have conditions evolved in the earthquake-affected areas of Nepal? What are the key challenges that need to be overcome if recovery is to take root? And how can aid best support this? The Independent Impacts and Recovery (IRM) project contributes findings and analysis to help answer these questions through longitudinal, mixed methods research.

This report outlines findings from the fourth round of IRM research, conducted in April 2017. Combining findings from the survey and qualitative research, it provides a snapshot of conditions two years on from the disasters. It makes comparisons with data from past rounds of IRM to see how needs and conditions are changing over time.

***Despite progress with reconstruction grant distribution, many households had still not started rebuilding.***

Since IRM-3, there has been significant progress in rolling out the Nepal Rural Housing Reconstruction Program. Most people who have been declared eligible for the program have received the first tranche of funds and most, but not all, people found the process of accessing the grant fairly easy. Due to this program, 40% of people in earthquake-affected areas are now receiving recovery or reconstruction assistance compared to just 15% in September 2016.

However, despite receiving the first installment of the housing grant, the survey found that many households had not started rebuilding, especially in severely hit districts where 62% of people are living in temporary shelters. In contrast, only 5% in crisis hit districts and 2% each in hit with heavy losses and hit districts are still in temporary shelters. In Sindhupalchowk, the district that was most severely hit by the quakes, 84% of surveyed people remain in shelters.

***Delays slowed rebuilding progress in early 2017.***

While the reconstruction of private houses started to progress significantly in late 2016, it had slowed down again by early 2017 due to labor shortages, high prices for construction labor and materials, high transportation costs and delays in the inspection process and the disbursement of the second installment of the housing reconstruction grant. Adding to delays was the focus of local government on the local elections in May and June 2017, which also reduced the amount of aid that households received from I/NGOs.

The most common source of frustration among housing grant beneficiaries, and one of the main reasons for the slow pace of reconstruction in April 2017, was the perceived delay in the distribution of the second installment of the cash grant. Delays in the disbursement of subsequent tranches of the

housing reconstruction grant, and uncertainty over procedures and future steps of the housing grant program, affected whether people had started or were continuing to rebuild.

***A lack of money was the main obstacle to rebuilding.***

The housing reconstruction grant is deemed insufficient to pay for rebuilding and households lacked awareness of and access to government soft loans schemes. Receiving the first installment of the reconstruction grant does not appear to increase the likelihood of people starting to rebuild. A majority of people who have received the first tranche report that they are not using it in line with program's purpose of building earthquake-resistant houses.

***Borrowing has remained high and will likely increase to finance future construction.***

With reconstruction having begun in earnest, more households were borrowing larger sums to cover rising construction costs, and borrowing for livelihoods support also remained high. Fifty-five percent of people surveyed took loans in the period between IRM-3 and IRM-4. Borrowing from informal lenders has largely financed the rebuilding that has taken place, but typically at very high interest rates, and households said such borrowing will also finance future construction. The survey data show that many people are struggling to make repayments, with average levels of debt tripling since the earthquakes.

Worryingly, there has been an increase, albeit relatively small, in the number of people selling assets in attempts to recover. Those who borrow most frequently are the most likely to sell assets, suggesting that either loans taken are not enough or that people are having to sell assets to repay loans they could not afford. There is some evidence that migration for work has also increased in order to pay back loans.

***Households who had started to rebuild often lacked support to rebuild in safer ways.***

Those households who had started rebuilding often did not have access to adequate technical assistance to help them build back safer and to become compliant for the second and third installments of the housing grant. Persistent delays also encouraged households to build back in less safe ways or to delay rebuilding and stay in unsafe locations and houses.

***People from vulnerable groups continue to lag behind in their recovery.***

There is an increasingly large gap between households who are able to rebuild now or later and those who

cannot rebuild or who are getting into high levels of indebtedness whilst rebuilding. This includes Dalits, economically poor, single women, the disabled, widows, the elderly and the historically marginalized. For example, households with a low pre-earthquake income are substantially more likely to remain in shelters than others; much less likely to have started rebuilding; and much more likely to have seen a decline in their income since the earthquakes. Additionally, Dalits have been more likely to be excluded from access to resources, such as community forests, which provide materials for reconstruction.

While in general aid is being better targeted at those in need than before, challenges remain. Those with a low pre-earthquake income are also far more likely to be taking out loans and to be selling assets. Findings are similar for other vulnerable groups such as Dalits, the disabled and widows. For these groups, the existing housing grant is not sufficient for rebuilding and they have not found it easy to access soft loans.

***Poor information-sharing and coordination challenges have impacted on reconstruction.***

Households are confused about timelines and the requirements needed to receive the second installment of the housing grant. People also lack information on procedures, requirements, and technical standards, which has delayed the ability of people to take informed decisions about rebuilding. Many of those who lodged complaints are also confused about the grievance management process. Those who were displaced or who need to be resettled to safer areas lack information and support, hindering their ability to make safe informed choices. Coordination challenges also revolve around the lack of clarity on the roles and responsibilities of local government bodies and the NRA.

***Needs beyond reconstruction have not been addressed.***

Reconstruction of houses and cash assistance were again cited as the primary needs by earthquake-affected households and the focus of assistance remains on housing reconstruction and cash grants. Yet other needs remain and there is a wide range of issues that are critical to recovery beyond rebuilding. People mentioned the need for improved roads (to support rebuilding), repairs to damaged water infrastructure and improvements to health facilities. While markets have largely recovered, many farmers are still in need of livelihood support. There is a labor shortage in the agricultural sector, partly due to the higher wages in reconstruction work. In addition, geological damage from the earthquakes, fears of landslides, crop depredation and water shortages continue to impact the farming sector.





Photo: Nayan Pokharel

***Social cohesion in communities has remained strong and livelihoods are recovering in many areas.***

Most people's sources of income have continued to recover. While around one-third of people said their current income is lower than before the earthquakes, almost as many said they now earn more than they did before them. People in earthquake-affected areas have increasingly been able to generate non-farm income, earning more from daily wage work, and from business income. Livelihoods had generally resumed and some laborers and businesses benefitted from increased opportunities and higher wages.

Drops in food consumption, something identified in earlier rounds of IRM, are now less pronounced than before. One-third of people say their food consumption has increased in the past year with only 6% saying it has declined. Reductions in food consumption are slightly higher in the most affected districts but, even in these places, far more report increases in consumption. Relatively few people now say food aid is a priority need. The latest data also confirm the findings of previous rounds that there has been little violence in earthquake-affected.

## 6.2 Key focus areas and recommendations

The data and analysis from the IRM-4 research has established emerging challenges relevant to ongoing and future assistance for earthquake recovery. The National Reconstruction Authority (NRA), international donors, and non-government organizations have already begun to respond to some of the issues

raised by the research but challenges and risks remain. The report concludes by providing a set of independent recommendations for aid providers. The focus areas, and the policy implications that flow from them, do not necessarily reflect the views of the donors to the project.<sup>47</sup>

### Reconstruction cash grants and household reconstruction

Communication on assistance schemes, and their requirements and procedures, in particular in relation to the reconstruction cash grants and required building codes, needs to be improved. There was a lack of clear information on timelines, procedures, requirements and technical standards. The various steps in the housing grant process are confusing to navigate for many households.

A major reason why affected people could not continue to rebuild and were increasingly frustrated was the relative lack of technical assistance and financial resources. Those households that received technical assistance when rebuilding primarily received masonry training, which evidence suggests has been of limited use by itself. Prices for construction materials as well as transportation continued to rise. Other reasons for the lack of rebuilding were shortages of laborers and trained masons, water shortages as well as transportation difficulties in remote areas. The planned provincial and national elections and the 2018 deadlines have the potential to create additional confusion and affect rebuilding negatively unless flexible plans are developed.

***Recommendation 1:** Communication about timelines, procedures, requirements, and technical standards is vital to help households make informed choices during the rebuilding process. Information on when and how to become eligible*

*for the second and third installments of the reconstruction cash grants needs to be communicated widely to earthquake-affected households, local government offices and citizens.*

***Recommendation 2:** A range of technical assistance support that goes beyond masonry training needs to be provided to households to help them build back safer and become compliant with the second and third installments.*

***Recommendation 3:** Consider steps to further subsidize common construction materials and labor, especially for vulnerable and remote households. Measures to reduce the transportation costs of common construction materials should also be explored.*

***Recommendation 4:** The deadline for completing all household reconstruction by mid-2018 has the potential to create additional confusion and also impact building back better negatively. Develop and communicate flexible plans for households who may miss the deadline.*

***Recommendation 5:** Find ways to continue reconstruction activities during the application of the Election Code of Conduct period in upcoming provincial and national elections planned for November and December 2017.*

### Access to cash and credit

Borrowing from informal lenders at high interest rates has largely financed the rebuilding that has taken place, but typically at very high interest rates. In the absence of other sources of credit such borrowing and selling of assets will also finance future construction and livelihoods support. Those who cannot afford to rebuild in the absence of additional material or financial assistance are falling behind in their recovery and are vulnerable to severe poverty, debt traps and exploitation. The poor and those whose income has declined since the earthquakes borrow most fre-

quently suggesting repayment problems lie ahead. This could lead some to sell their assets and get stuck in debt traps.

***Recommendation 6:** Ensure better awareness of and access to the two government low interest loan schemes for earthquake victims.*

<sup>47</sup> These are independent recommendations rather than those of the UK or Swiss government.

## Needs beyond reconstruction

There has been limited progress on a wide range of issues critical to recovery beyond rebuilding, especially in the farming sector. More attention is needed on the reconstruction of physical infrastructure, including schools and health posts, to support a broader recovery.

**Recommendation 7:** Continue to increase livelihoods support rather than focusing assistance solely on housing grants. Support for poor and struggling farmers is particularly necessary in the form of farm inputs, training and improving irrigation facilities.

**Recommendation 8:** Increase attention on the reconstruction of physical infrastructure including damaged water sources, government offices, schools and health posts.

## Resettlement of displaced households

While a new geological survey had taken place in many areas, long-term resettlement plans for those communities who were displaced due to damage to their land or the high risk of landslides had not yet been implemented or communicated to displaced households by April 2017. Uncertainty over whether communities would have to resettle permanently also affected their ability to begin rebuilding and recovering from the impacts of the earthquakes.

**Recommendation 9:** Communicate the results of geological surveys to affected displaced communities, other locals and local government officials.

**Recommendation 10:** Implement resettlement solutions in consultation with permanently displaced communities. Such plans need to be developed with the involvement of local communities to avoid conflict and with local authorities.

## Support to vulnerable groups

Vulnerable groups, such as the poor, households in remote areas, Dalits, single women, the elderly and historically marginalized groups, are typically among those who have been unable to rebuild by April 2017 and who remain in temporary shelters or who are getting into high levels of indebtedness while rebuilding. While additional government support that has been announced for vulnerable groups is welcome, it is unclear whether it will lift these groups out of temporary

shelters and prevent a delayed recovery unless further support is given.

**Recommendation 11:** Vulnerable groups will likely take the longest to rebuild and will need extra support to rebuild their homes that goes beyond existing measures. Discussions should start on the modalities of extra support to the most vulnerable.

## Coordination and local government

As in previous research rounds, local government offices were often unable to give clear information to concerned earthquake survivors, mostly because they lacked information themselves. Communication on assistance schemes, and their requirements and procedures, in particular in relation to the reconstruction cash grants and required building codes, needs to be improved. With local body restructuring being implemented across Nepal, and elections to provincial assemblies planned for late 2017, coordination of responsibilities related to earthquake reconstruction and recovery remains a challenge.

**Recommendation 12:** Improve communication between government offices by strengthening coordination mechanisms, and information flow between the NRA and government line ministries in Kathmandu, districts headquarters and rural municipalities (Gaupalika).

**Recommendation 13:** Improve training on NRA policies and procedures for local government officers at Gaupalika and district levels.





Photo: Nayan Pokharel



# Annex A

## The current status of reconstruction

### Housing reconstruction

According to the Post-Disaster Needs Assessment, 498,852 private houses were fully damaged and 256,697 private houses were partially damaged in 31 districts by the earthquakes of April and May 2015.<sup>48</sup> According to the damage assessment conducted by the Central Bureau of Statistics (CBS), as of early September 2017 a total of 724,895 households across the 31 affected districts are eligible to receive reconstruction assistance.<sup>49</sup> This includes 626,694 households in the 14 most affected districts and 98,201 households in the 17 less-affected districts. As stated in previous IRM reports, the wait for the CBS assessment led to delays in the distribution of reconstruction grants and frustration among earthquake victims.

However, an additional 27,183 households in the 14 most affected districts have been added to the number of eligible households after their complaints were addressed as part of the grievance process. As a result, there are a total of 752,078 eligible households.<sup>50</sup> This figure is likely to rise following ongoing resurveying as part of the grievance process. A further 24,991 private houses, not counted in the total number of households eligible to receive housing grants, have been assessed as partially damaged and deemed eligible for cash assistance for retrofitting.<sup>51</sup>

**Recent progress.** Progress in rebuilding remains slow. By late August 2017, more than two years after the disaster, a total of 47,355 houses had been rebuilt according to the NRA (out of 752,078 eligible households).<sup>52</sup> At the time of the IRM-4 fieldwork in April 2017, the signing of beneficiary agreements and the distribution of the first installment of the reconstruction cash grant was largely complete in the 14 most affected districts including Gorkha, Sindhupalchowk and Okhaldhunga. Inspections for and distribution of the second installment started in January 2017 in the 14 most affected districts. Inspections for and distribution of the third installment in the 14 most affected districts began in March 2017. At the time of IRM-4 in April 2017, the CBS damage assessment survey of the 17 less-affected districts was nearing completion (including in Solukhumbu). However, the signing of beneficiary agreements and the distribution of the first installment of the reconstruction cash grant had just started in April 2017 in these districts.

As of early September 2017, 635,289 households across all 31 districts had signed beneficiary agreements (out of 752,078 eligible beneficiaries)<sup>53</sup> and 605,385 households in all 31 districts had received the first installment of the grant in their beneficiary bank

<sup>48</sup> Government of Nepal, National Planning Commission, *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu 2015. Available at: <https://www.nepalhousingreconstruction.org/sites/nuh/files/2017-03/PDNA%20Volume%20A%20Final.pdf>.

<sup>49</sup> From the Ministry of Federal Affairs and Local Development's Central Level Project Implementation Unit (MoFALD CLPIU) update, September 1, 2017. Available at <http://mofald-clpiu.gov.np/notice-detail/205>.

<sup>50</sup> *Ibid.*

<sup>51</sup> *Ibid.*

<sup>52</sup> <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017. This figure includes all houses that have been constructed, not just houses that have been constructed under the RHRP.

<sup>53</sup> The total of 752,078 includes beneficiaries added after grievances were addressed.

account (see Table A.1).<sup>54</sup> The difference between the number of eligible beneficiaries and the number of households who had signed grant agreements is largely due to the fact that the enrolment process is not complete, as of September 2017, in the 17 less-affected districts.<sup>55</sup>

**Table A.1:** Progress of private house reconstruction and cash grant distribution in the research area as of September 2017

	Total (across 31 districts)	Gorkha	Sindhupalchowk	Solukhumbu	Okhaldhunga
<i>Damage and assessments</i>					
Private house owners identified by the CBS survey as eligible beneficiaries <sup>56</sup>	724,895	58,503	78,537	10,794	19,819
Additional beneficiaries after grievances redressed <sup>57</sup>	27,183	2,312	1,380	N/A	346
Current total number of eligible beneficiaries	752,078	60,815	79,917	10,794	20,165
Households identified for retrofitting grants <sup>58</sup>	24,991	2,019	376	456	1,643
<i>Cash grants<sup>59</sup></i>					
Beneficiaries who had signed cash grant agreements as of September 1, 2017	635,289	54,521	75,304	8,095	18,701
Beneficiaries who had received the first installment of the cash grant (in beneficiary account)	605,385	54,521	75,191	514	18,644
Beneficiaries who had received the second installment of the cash grant (in beneficiary account)	65,011	6,800	11,070	0	3,405
Beneficiaries applying for the second installment who are noncompliant <sup>60</sup>	5,974	147	277	0	732
Beneficiaries who had received the third installment of the reconstruction cash grant (in beneficiary account)	3,902	1,964 <sup>61</sup>	568	0	2
Beneficiaries applying for the third installment who are noncompliant <sup>62</sup>	529	0	8	0	267

<sup>54</sup> MoFALD CLPIU update, September 1, 2017.

<sup>55</sup> There is a small caseload of eligible households in the 14 most-affected districts who have not signed beneficiary agreements. This is mostly concentrated in 14 VDCs across the 14 districts, where less than 50% of households have signed the beneficiary agreement. The Housing Recovery and Reconstruction Platform (HRRP) are following up in those VDCs to understand the factors behind this.

<sup>56</sup> From the completed CBS assessment in the MoFALD CLPIU update, September 1, 2017.

<sup>57</sup> *Ibid.* Grievances have not yet been reviewed in the 17 less-affected districts including Solukhumbu.

<sup>58</sup> *Ibid.*

<sup>59</sup> Unless stated all data from MoFALD CLPIU update, September 1, 2017.

<sup>60</sup> This refers to beneficiaries who have applied for the second installment but whose construction did not fulfil the minimum standards during the inspection process. Figures taken from the Ministry of Urban Development CLPIU update, 1 September 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

<sup>61</sup> No figure listed on the MoFALD CLPIU update. Taken from the MoUD CLPIU update, September 1, 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

<sup>62</sup> MoUD CLPIU update, September 1, 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

	Total (across 31 districts)	Gorkha	Sindhupalchowk	Solukhumbu	Okhaldhunga
<i>Complaints</i> <sup>63</sup>					
Registered complaints at the local level	207,861 <sup>64</sup>	N/A	14,447 <sup>65</sup>	N/A	N/A
Complaints reviewed by the NRA as of August 2017	201,951 <sup>66</sup>	N/A	N/A	N/A	N/A
Number of grievances cleared	198,321 <sup>67</sup>	N/A	10,838 <sup>68</sup>	N/A	N/A
Additional beneficiaries after grievances redressed <sup>69</sup>	27,183	2,312	1,380	N/A	346
Approved complaints	N/A	N/A	N/A	N/A	N/A
Complaints needing further field verification	N/A	N/A	N/A	N/A	N/A
Reassessment ordered by the NRA	N/A	N/A	N/A	N/A	N/A
Rejected complaints	N/A	N/A	N/A	N/A	N/A
<i>Reconstruction</i>					
Houses rebuilt as of September 2017 <sup>70</sup>	47,355 <sup>71</sup>	4,418	5,620	N/A	1,674

**NRA deadlines.** In July 2017 the NRA set its own deadlines for earthquake victims to receive all grants for the reconstruction of private homes within the fiscal year 2017/18 (which ends in mid-July 2018), reportedly in order to speed up reconstruction.<sup>72</sup> Eligible beneficiaries must have signed a beneficiary agreement with local bodies by November 16, 2017. The first installment of the reconstruction grant must be disbursed by January 13, 2018, the second installment by April 13, 2018 and the third installment by July 15, 2018.<sup>73</sup> As of September 2017, it is unclear what will happen to beneficiaries who do not meet the deadlines in 2018.

**Complaints and reverification.** When the CBS assessment was conducted it also led to most of the 207,861 grievances<sup>74</sup> registered by earthquake victims

in the 14 most affected districts who were left out or believed they were categorized incorrectly in the damage assessment. Of these, 201,951 grievances were reviewed and 198,321 grievances were redressed.<sup>75</sup> Many complaints related to households who claimed that they were left out of the CBS damage assessment or else were incorrectly categorized under the wrong damage grade (and therefore were ineligible for reconstruction grants). As of early September 2017, a total of 27,183 beneficiaries have been added to the eligible beneficiaries list in the 14 most affected districts after their grievance had been resolved.<sup>76</sup> The NRA has set a deadline that all grievances should be officially registered by mid-February 2018.<sup>77</sup> The grievance caseload for the 17 less-affected districts had not yet been made public as of August 2017.

<sup>63</sup> Up-to-date district disaggregated data on complaints is not available as of September 2017.

<sup>64</sup> <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

<sup>65</sup> MoFALD CLPIU update, September 1, 2017.

<sup>66</sup> <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

<sup>67</sup> *Ibid.*

<sup>68</sup> MoFALD CLPIU update, September 1, 2017.

<sup>69</sup> *Ibid.* Grievances have not yet been reviewed in the 17 less-affected districts including Solukhumbu.

<sup>70</sup> *Ibid.* <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

<sup>71</sup> <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017. This figure includes all houses that have been constructed, not just houses that have been constructed under the RHRP.

<sup>72</sup> 'NRA sets mid-July 2018 deadline for beneficiaries', July 18, 2017, <http://kathmandupost.ekantipur.com/news/2017-07-18/nra-sets-mid-july-2018-deadline-for-beneficiaries.html>.

<sup>73</sup> HRRP Weekly Bulletin, July 24, 2017. [http://www.hrrpnepal.org/upload/resources/XSd3TlqZ5NWkBECjyJiF\\_2017\\_07\\_24.pdf](http://www.hrrpnepal.org/upload/resources/XSd3TlqZ5NWkBECjyJiF_2017_07_24.pdf).

<sup>74</sup> <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

<sup>75</sup> Redressed grievances are sent to local authorities to inform the person who submitted the grievance of the outcome and to include their name in the beneficiary list if required.

<sup>76</sup> MoFALD CLPIU update, September 1, 2017.

<sup>77</sup> NRA August 2017 newsletter <http://nra.gov.np/uploads/docs/RgF1n51veS170825093339.pdf>.



**Cash grant agreements, compliance and distribution.** The process of signing reconstruction grant agreements with beneficiaries began in early 2016 in the most affected districts. After grievances were addressed a total of 574,717 households had signed agreements by September 2017 in the 14 most affected districts.<sup>78</sup> The process of signing agreements is continuing in the 17 less-affected districts where, by September 2017, 60,572 households had signed grant agreements.<sup>79</sup>

After policy changes to the amount and number of tranches were formalized in December 2016, the current guidelines state that earthquake victims will receive NPR 50,000 in the first installment, NPR 150,000 in the second and an additional NPR 100,000 in the third installment.<sup>80</sup> NPR 75,000 of the last installment has been granted for the construction of the roof-level while the remaining NPR 25,000 is tied to the construction or repair of a toilet (mandatory) or solar power (not mandatory). The second and third tranches will only be provided if the household construction has been inspected and found to meet the minimum requirements.<sup>81</sup> If the inspection finds that the construction work does not meet the minimum requirements the household is issued with a correction order detailing the corrections required in order to become compliant. Once the corrections are completed the work will be inspected again and, if compliant, the grant will be provided.

The NRA along with technical experts from line ministries and partner organizations has developed a 'Corrections and Exceptions' manual to help households who do not meet the compliance criteria.<sup>82</sup> The manual sets out remedial measures required for the most common non-compliance issues and also sets out cases where exceptions are allowed. The manual is intended to help technical staff and engineers in the field as well as households. In order to help people meet the compliance criteria the NRA has continued

to stress the need for partner organizations to focus on providing technical assistance. As of late August 2017, just 17 VDCs out of 618 affected VDCs are receiving the full package of technical assistance.<sup>83</sup>

Problems remain in documenting how many beneficiaries have accessed their bank accounts as payment of the housing grant is defined as the point at which the money is put into bank accounts for earthquake victims. Many earthquake victims have faced obstacles in accessing their bank accounts as detailed in previous IRM reports.<sup>85</sup> As of September 2017, 605,385 of 635,289 households with grant agreements had received the first installment of the grant in their beneficiary bank account; 65,011 had received the second installment; and 3,902 had received the third installment (see Table A.1 above).<sup>48</sup> The NRA measures beneficiaries receiving the grant installments when the amount is sent to beneficiary bank accounts. No data exist on how many people have withdrawn the amount from their account.

**Policies and guidelines since April 2017.** During 2017 the NRA made efforts to address policy gaps and the diversity of housing reconstruction needs beyond new housing construction, with a particular focus on vulnerable and poor earthquake victims who are struggling to rebuild. Although guidelines existed beforehand to help such communities, it has mainly been during 2017 that the NRA has been able to formalize such policies. The main changes made by the NRA are contained in a new version of the Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073 (2016), revised in May 2017, and the new Procedures for the Relocation and Rehabilitation of Hazard-prone Settlements, 2073 (2017), approved in April 2017. The revisions included putting in place grants for the purchase of land for the resettlement of earthquake victims living in geologically unsafe areas and grants for landless earthquake victims.

<sup>78</sup> MoFALD CLPIU update, September 1, 2017.

<sup>79</sup> *Ibid.*

<sup>80</sup> *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017).

<sup>81</sup> As per the *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017) and the *Technical Inspection Guidelines for Housing Reconstruction* [http://www.hrrpnepal.org/upload/resources/OxGJpvmui56FILjdfZU9\\_2017\\_02\\_22.pdf](http://www.hrrpnepal.org/upload/resources/OxGJpvmui56FILjdfZU9_2017_02_22.pdf).

<sup>82</sup> Correction/Exception Manual for Masonry Structure <http://nra.gov.np/uploads/docs/EZfLdhwMbD170820044534.pdf>.

<sup>83</sup> HRRP Weekly Bulletin, September 4, 2017. [http://www.hrrpnepal.org/upload/resources/sqifkegpltow96F3VRTP\\_2017\\_09\\_04.pdf](http://www.hrrpnepal.org/upload/resources/sqifkegpltow96F3VRTP_2017_09_04.pdf).

<sup>84</sup> For example, in THE IRM thematic study.

<sup>85</sup> MoFALD CLPIU update, September 1, 2017.



Photo: Nayan Pokharel











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