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The Asia Foundation

Briefing Note
February 2020

Independent Impacts and Recovery Monitoring (IRM) Project Nepal Early Findings from Round 5

The independent Impacts and Recovery Monitoring Project (IRM) was implemented almost immediately after two devastating earthquakes hit Nepal on 25 April 2015 and 12 May 2015. IRM is a longitudinal mixed-methods study developed to systematically monitor social impacts of the disaster and the response over the longer-term, collecting evidence that goes beyond one-off damage and needs assessments. By monitoring patterns of recovery and evolving needs, IRM contributes to making the disaster response more effective and accountable.

Five rounds of a large-scale household panel survey and qualitative field monitoring research have been completed to date:

- Round 1 (June 2015)
- Round 2 (February-March 2016)
- Round 3 (September 2016)
- Round 4 (April 2017)
- Round 5 (September-October 2019)

This briefing note is based on early findings from the last, fifth round of survey completed in September-October 2019 with 5857 respondents. Two reports from the fifth round will be published in April 2020 (a survey report and a qualitative report).

IRM is led by The Asia Foundation (TAF) and funded by the UK Department for International Development (DFID) Nepal. Rounds 2-4 of IRM were jointly funded by DFID Nepal and the Swiss Agency for Development and Cooperation (SDC).

For more information, please visit:
https://asiafoundation.org/where-we-work/nepal/irm-project/

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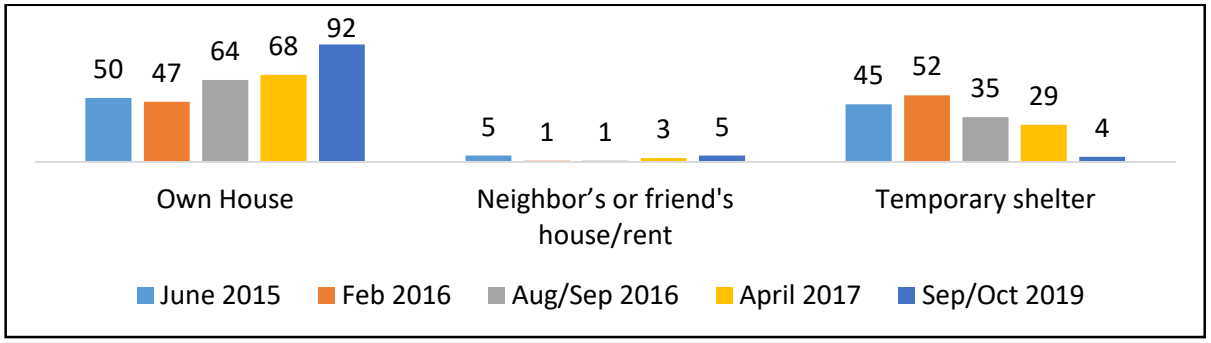
1. Where people are living now?

Finding I: Nearly five years after the earthquake, the large majority of people have moved back in their own houses.

In June 2015, right after the earthquakes, 45 percent of households with housing damages were staying in a temporary shelter. Currently (October 2019), only 4 percent live in a temporary shelter and 92 percent live in their own house.[1]

[1] 'Temporary shelter' means either a self-constructed shelter, a community shelter, or a shelter constructed by an individual or institutional donor. 'Own house' means either a fully or partially rebuilt/repaired house, a house not damaged by the earthquake, or an old house damaged by the earthquake and not yet rebuilt/repaired.

Figure 1: Where people were/are living (all those self-reporting some housing damages; base=4834)



Finding II: Three-quarters (75%) of households which reported housing damages now live in a rebuilt or repaired house, or another house not damaged by the earthquake.

Most households with housing damages now live in a rebuilt (47%) or repaired (22%) house. A small share (6%) report living in a second house which was not damaged by the earthquake. Yet, fifteen percent say they live in a partially rebuilt or partially repaired house (12%), or a damaged unrepaired house (3%). The remaining shares are in other types of housing, such as temporary shelters, rented accommodation, or friends' or neighbors' houses.[2] This data shows where people are living and excludes information on those currently in the process of rebuilding repairing/retrofitting (see below).

Finding III: The continued use of damaged, or structurally vulnerable, pre-earthquake houses is common.

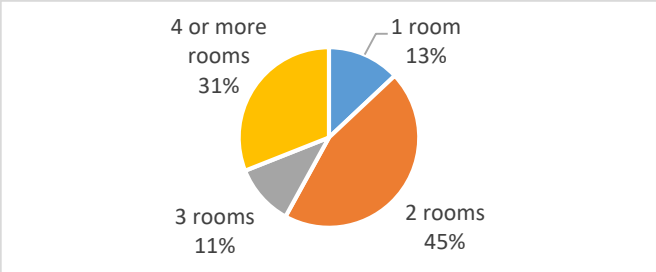
Half of people reporting some level of housing damages have not demolished their pre-earthquake houses – primarily those with lesser damages in the lesser impacted districts and in urban areas.[3] They are still using their damaged houses for multiple purposes, including to sleep in (85%), and for storage (55%) and livestock (11%). Those with extensive damages in the severely hit districts are more likely to have demolished their houses.

Overall, 32 percent of households reporting housing damages are currently living in a partially (10%) or fully (22%) repaired house, while only 3 percent live in a pre-earthquake house without any repairs. This shows that most of those who live in pre-earthquake houses have done at least some repairs.

Finding IV: More than half of those living in a rebuilt house, live in houses with one or two rooms.

Most people have built two-room houses (45%) or one-room houses (13%). One fifth (19%) of those who have rebuilt, or are in the process of rebuilding, say they plan to add rooms in the future. However, almost half of those who have rebuilt managed to build three-room or larger houses (11% have built three-room houses and 31% have built houses with four or more rooms).

Figure 2: Size of house (those living in a fully rebuilt house; base=2285)



[2] This data does not adequately represent mixed housing solutions. Only 2% said they lived in both, a pre-earthquake house and a rebuilt house, or a shelter and a pre-earthquake house. Other data (see Finding III) and qualitative research conducted alongside this survey suggest that larger shares live in both new and old houses.
[3] Over sixty percent in crisis hit districts and districts hit with heavy losses and over eighty percent in hit districts have not demolished their old houses – compared to one fourth (26%) in severely hit districts.

2. Retrofitting

Finding V: Retrofitting uptake is low, but interest in retrofitting may suggest the potential for expanding retrofitting options and support.

While use of old houses is common, very few have done retrofitting through the government's retrofitting grant. Only a small share of respondents said they were eligible for the retrofitting grant (8% of those who had damages but were declared ineligible for the housing grant, which equals 2% of all respondents) – even fewer had received the two tranches of this grant. However, overall 22 percent of those reporting housing damages are aware of this grant. Awareness is higher than average among households with partial damages.

Those who reported damages were also asked whether they would prefer/have preferred to receive retrofitting support to repair their house safely rather than having to rebuild completely. Nearly one third said they would prefer/have preferred the retrofitting option (28%). Again, , interest is higher among those with partial damages – with more than half of those saying they would like/have liked to retrofit their house. People in urban areas (47% compared to 21% in rural areas) and in lesser impacted districts are comparatively more interested in retrofitting.[4]

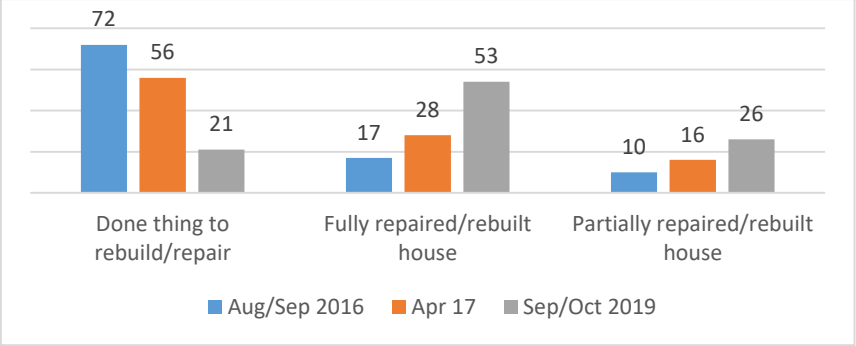
The people who are not interested in retrofitting, mostly said this is because their house was too badly damaged to be retrofitted (61%) or because they prefer living in a new house (24%). One in ten said that they prefer the housing reconstruction grant because it is a higher amount, while less than one in ten thought retrofitting was too expensive or not safe.

3. Progress in housing recovery (reconstruction and repairs)

Finding VI: There has been accelerated progress in housing recovery between 2016 and 2019.

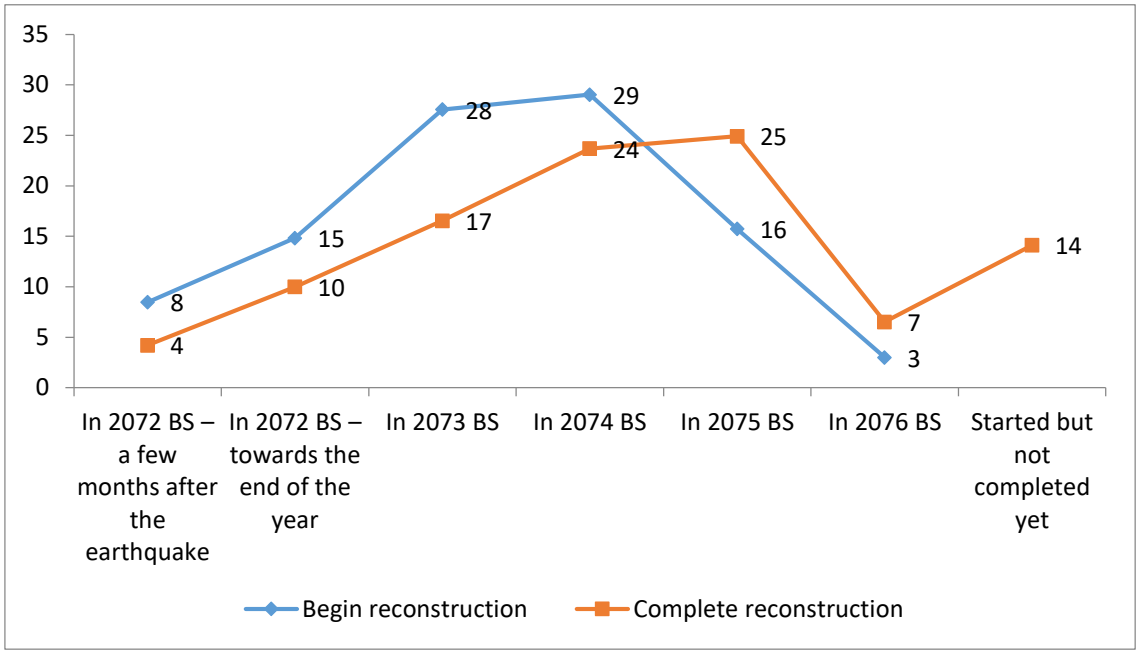
The number of people with housing damages who had done nothing to rebuild decreased from 72 percent in 2016, to 56 percent in 2017, to only 21 percent in October 2019. By late 2019, most had fully repaired/rebuilt (53%) or partially repaired/rebuilt (26%). The Nepali calendar years 2073 BS to 2075 BS (April 2016 – April 2019) saw the most activity in housing recovery: The majority started rebuilding/repairing in 2073 BS or 2074 BS (April 2016 – April 2018). Most completed rebuilding/repairing in 2074 BS or 2075 BS (April 2018 – April 2019).

Figure 3: Progress in repairing/rebuilding houses over time (those self-reporting some housing damages; base=4834)



[4] Interest is higher than average in Syangja, Okhaldhunga and Kathmandu. Of those who were assessed as 'not damaged' in the official damage assessment, nearly seventy percent said they are interested in retrofitting.

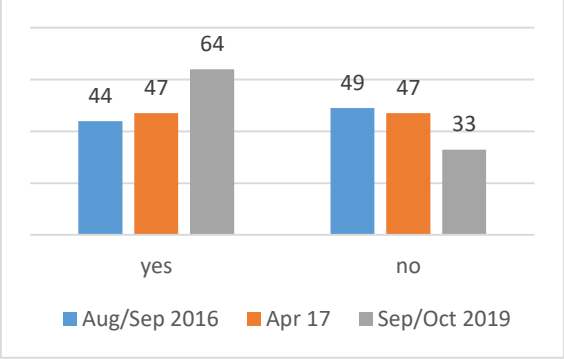
Figure 4: Start date and completion date of reconstruction (those self-reporting some housing damages and who have started reconstruction; base=3786)



Finding VII: Access to the housing grant and progress through its tranche system has improved noticeably.

Progress in reconstruction might be explained by progress in enrollment for, and distribution of, the housing reconstruction grant. In October 2019, higher shares (75%) said their house was assessed in an official damage assessment, as compared to two years prior (55% in April 2017).[5] Further, more people were declared eligible over time (see Figure 5). In October 2019, 89 percent of those enrolled in the housing grant program said they had received the first tranche, 73 percent had received the second tranche, and 64 the third tranche.

Figure 5: Shares who were declared eligible for the housing reconstruction grant[6] (those self-reporting some housing damages; base=4832)



Awareness of the requirements for receiving all three tranches was fairly high in October 2019 (85% of those eligible for the grant said they were aware of the grant requirements).[7] Confidence in receiving the remaining tranches of the grant – among those who had not yet received all tranches – also improved. In April 2017, only 17 percent were very confident they would receive the next tranche; in October 2019 it was 56 percent. Survey findings show improvements in satisfaction with the grant, and in ease of access.

[5] Likely because of the grievance process, reassessments, and later assessments in some parts of the country.
[6] The remaining shares were unsure. Only small shares were uncertain and uncertainty decreased over time.
[7] While a different set of people were asked this question in 2017 (those who had received the first tranche), awareness seems to have improved significantly since then: Only 47 percent of those who had received the first tranche in April 2017 said they knew the requirements for receiving the second tranche.

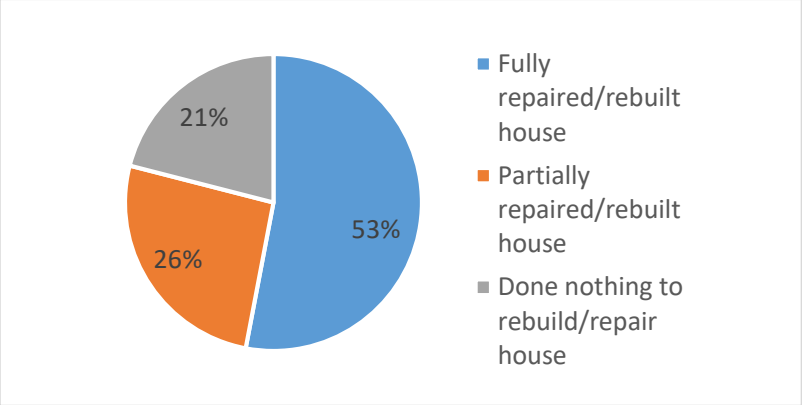
Finding VIII: Two-thirds of those declared ineligible for the housing grant think they should be eligible, but less than one third have filed a grievance.

Thirty-three percent of those whose house was assessed said they did not qualify for the grant. Yet, two-thirds (68%) of those declared ineligible think they should be eligible. Low income groups and Dalits who were declared ineligible were far more likely to think they should be eligible compared to other groups – possibly revealing a greater need among those groups for receiving reconstruction support. Of those declared ineligible, less than a third (27%) have filed a grievance. Around half (51%) were unsure what happened to their grievance, a fifth (18%) said their grievance was rejected, and a third (32%) said their grievance was approved.[8]

Finding IX: One fifth (21%) of households with housing damages have not yet started to repair or rebuild their damaged house – mostly those with partial housing damages and in urban areas.

People in urban areas are much more likely to say they have not yet begun rebuilding/repairing: 35% in urban areas have not started the process compared to 16% in rural areas. People in lesser affected districts and those reporting lesser housing damages are also more likely to say they have not yet started rebuilding/repairing. This means, they may not need to fully rebuild but are likely to live in partially damaged houses, raising questions about the safety of these houses and the needs for retrofitting (as mentioned in Findings III and V). Hill Dalits and Newars are comparatively more likely to have not yet started to repair or rebuild.

Figure 6: Progress in repairing/rebuilding damaged houses (those self-reporting housing damages; base=4834)



4. Urban-rural differences

Finding X: Housing recovery progress, and related needs, differ in urban and rural areas: In urban areas, fewer have rebuilt or repaired their houses and more continue to live in partially damaged houses.

People in urban areas are half as likely as those in rural areas to have repaired/rebuilt (30% compared to 63%). Conversely, people in urban areas are around twice as likely to say they have not yet started to repair/rebuild (35% compared to16%). People in urban areas are also less likely to have filed a grievance if they were left out of the housing grant program (only 10% in urban areas filed a grievance, compared to 42% in rural areas).

Only one-third of earthquake-affected households in urban areas demolished their damaged house (30%) compared to two-thirds in rural areas (57%). This may explain why residents of urban areas (47%) are more than twice as likely as those of rural areas (21%) to say that they would be interested in retrofitting their existing house.

[8] Note that these are the figures for those who were still ineligible in October 2019. Some others may have already been added through the grievance process as the increase in eligible beneficiaries suggests (Figure 5).

In addition, urban residents are three times as likely (69%) as those in rural areas (22%) to say they did not receive assistance for housing recovery.

5. Vulnerabilities

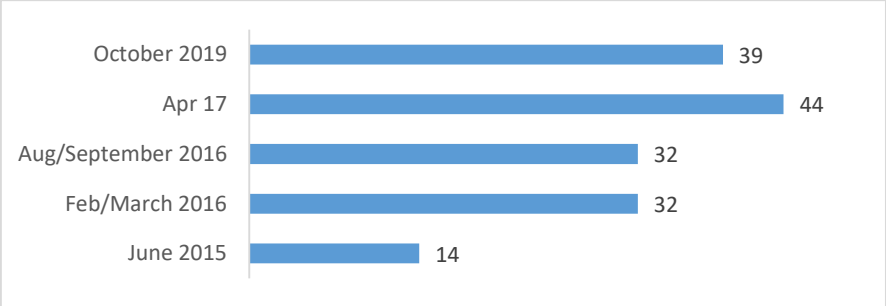
Finding XI: Only a small share of people still live in temporary shelters but this group seems to feel stuck.

About 4% of respondents are still living in temporary shelters. Two-thirds of people still living in temporary shelters say they want to move out of the shelter but believe they will either remain in the shelters in the long term (36%) or are unsure when they will be able to move (32%). Twenty-six percent are optimistic they will be able to leave their shelter soon, while six percent say they want to remain in the shelter and do not plan to move. Those whose houses were fully damaged, living in severely hit districts, in rural areas, and older people (above 45 years old) are more likely to still be living in temporary shelters than other groups. Over half of those in temporary shelters say agriculture is their main profession.

Finding XII: Earthquake recovery is a financial burden for many households.

Borrowing has increased noticeably since June 2015. At the time 14 percent said they had borrowed in the past year, while in October 2019 it was 39 percent (Figure 7). Hill Dalits (53%) are more likely than average, and at least ten percentage points more likely than any other group, to have borrowed in the past year. The average amount borrowed has tripled since June 2014 to NPR 391,864 in 2019. Monthly interest rates range between 1.2 and 3.8 percent. People mostly borrow from cooperatives (25%), savings groups (19%), and relatives and neighbors (18% each). Fewer borrow from banks, money lenders or other sources.

Figure 7: Shares who borrowed money in the past year (all respondents; base=5857)

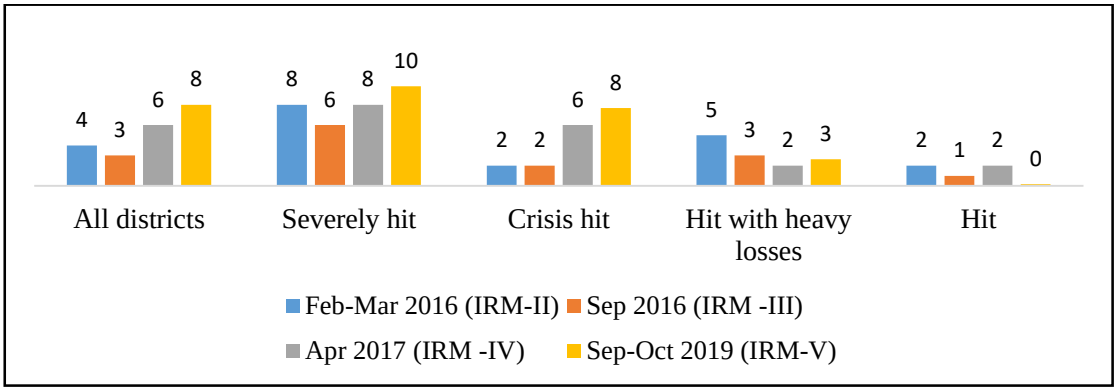


While borrowing – in frequency and amounts – may be increasing across Nepal, there is evidence that shows the relationship between borrowing/debt and financing earthquake recovery:

a) Borrowing increased in parallel with reconstruction activity, with a spike in 2017 (see Figure 7).
b) In October 2019, reconstruction was the most frequently cited reason for borrowing – in previous research rounds it was livelihoods.
c) Borrowing increases with higher damages. Those with fully or partially damaged houses are consistently more likely to have borrowed than those with no damages across all research rounds: In October 2019, those with completely damaged houses are nearly three times as likely as those with no damages to have borrowed in the past year.
d) People in severely hit districts (55%) are more likely to have borrowed in the past year than the average (39%) and those in lesser impacted districts. More than half of people in Ramechhap (73%), Okhaldhunga (58%), Nuwakot (56%), Gorkha (55%), and Sindhupalchowk (53%) have borrowed in the past year.
e) Those still living in temporary shelters are more likely to have borrowed than people living elsewhere – further highlighting the vulnerability of people in temporary shelters.
f) Debt loads increased for 42% of people in the past year (for 34% it stayed in the same and for 25% it decreased). People whose house was fully damaged are more likely to say their debt increased (45%) than those with no damages (36%) – although increasing seems to be a problem for people across damage levels.

g) Sale of assets has doubled since June 2015 and is comparatively more common in more impacted districts (see Figure 8), among those whose house was completely damaged, and among those who have completed rebuilding.
h) People are now selling bigger assets – suggesting they have larger expenses or loans to pay back: In previous research rounds, people mostly sold livestock but the sale of land (from 14% in 2015 to 50% in 2019) and jewelry (from 0% in 2015 to 17% in 2019) has risen over time while the sale of livestock has gone down.

Figure 8: Shares who have sold assets in the past year – overall and by district impact category (all respondents; base=5857)



6. Remaining challenges

A number of issues and challenges remain, which should be addressed during the ongoing recovery period. Based on initial findings, this study recommends that key stakeholders continue to work on the following key areas:

A) Assess, document and understand the safety and use of partially damaged/structurally vulnerable pre-earthquake houses.

The widespread use of pre-earthquake houses suggests that their safety may need to be assessed and that those repairing, rather than rebuilding, may need more support and guidance on how to do so safely.

B) Better cater to the needs of people with partial housing damages and in urban areas.

The slower pace of housing recovery and higher interest in retrofitting in urban areas and in districts with lesser damages points to different challenges and needs in those areas where many continue to live in unsafe pre-earthquake houses. This requires better disaggregated data on the types and degrees of vulnerabilities and the needs for special assistance among those affected. Such information can help design targeted interventions such as urban regeneration programs, increased retrofitting support, or targeted financial or material assistance for the poorest, most vulnerable households.

C) Provide targeted assistance to the most vulnerable groups.

There are different degrees, layers and types of vulnerabilities related to earthquake reconstruction, which need to be better understood. This study points to the following:

1. Those unable to recover their houses and still living in temporary shelters or other short-term housing arrangements – in both, urban and rural areas: This group is small but seems to feel stuck and is unable to return to their pre-earthquake housing without further assistance.
2. Those struggling under the financial burden imposed by the earthquake: While borrowing has increased for many earthquake-affected households, the poor are likely to struggle the most as they fall behind in their recovery and/or face increasing debt burdens.
3. Those still in unsafe housing: Many still live in or use vulnerable houses, which may require specific interventions to make those houses safer and mitigate risks during future earthquakes

(see A and B). However, while their houses may be vulnerable, they may not need special support to help them cope and not all can be considered 'most vulnerable'.

D) Continue to monitor social impacts and coping strategies to identify vulnerabilities, needs and emerging risks.

Tracking progress in housing reconstruction/repair, does not provide a complete picture of post-earthquake recovery patterns, local coping mechanisms and resilience, and remaining needs. Specific information on the types, size and uses of old and new houses and whether they meet people's needs, as well as on how people have coped with multiple impacts can provide a more holistic understanding of recovery, future risks, and the lessons that can be drawn from the reconstruction process in Nepal.