

Independent Impacts and Recovery Monitoring Phase 4

Qualitative Field Monitoring:

April 2017

Two years after two powerful earthquakes hit Nepal in 2015, the Independent Impacts and Recovery Monitoring for Accountability in Post-earthquake Nepal (IRM) project continues to track how the disaster's impacts have evolved and how people are recovering. IRM monitors changes in five key areas: (i) aid delivery and effectiveness; (ii) politics and leadership; (iii) social relations and conflict; (iv) protection and vulnerability; and (v) economy and livelihoods. The research is longitudinal, utilizing mixed methods, involving both qualitative field monitoring and quantitative surveys. The first and second rounds of IRM were conducted in June 2015 and February-March 2016, and the third round was completed in September 2016. This report, produced by Democracy Resource Center Nepal and The Asia Foundation, provides findings and analysis from the fourth round of IRM monitoring conducted in April 2017.

The report is based on data collected in four earthquake-affected districts, selected to represent varying levels of impact: Gorkha, Sindhupalchowk, Okhaldhunga and Solukhumbu. Field research methods included participant observation, key informant interviews and focus group discussions with data gathered at the district, VDC and ward levels. In total, 12 VDCs (three per district) were visited for the research and two wards were visited in each VDC (24 wards in total). The analyses examine changes that have occurred over time, comparing data and findings with those from previous rounds of research. While the fieldwork was conducted in April, the report includes updated information (to September 2017) on policy changes and progress with reconstruction where this was available from news and other secondary sources.

Progress with reconstruction

Reconstruction activities quickened after the 2016 monsoon. In the VDCs visited, many more households had begun rebuilding by April 2017 than in previous research rounds, primarily because they had received

the first installment of the housing grant and weather conditions were suited for construction during the winter months. However, overall, progress in reconstruction has remained slow. The most common obstacle to reconstruction has been the lack of financial resources people have, with most earthquake-affected households still struggling to pay for reconstruction. Housing grant beneficiaries continued to complain that the grant covered only a small fraction of overall costs for rebuilding. Rising costs for construction materials, including water, transportation of materials and for construction labor exacerbated the issue. Other obstacles to rebuilding were a shortage of trained masons, water shortages, unresolved resettlement, delays in addressing grievances and in distributing the first installment of the housing grant, the very limited access to soft loans, and persisting confusion around the building requirements.

Progress in reconstruction has been uneven. Wards with good road access and higher wealth were generally faster to rebuild. Settlements with greater outside assistance for rebuilding and with internal community support systems such as labor sharing were also observed to be rebuilding faster. At the household level, access to financial resources primarily determined people's ability to rebuild. Those without sufficient cash either chose to continue staying in temporary shelters, planned to send family members abroad for work or went into high debt to rebuild. The poor and marginalized continued to be consistently more vulnerable and slower to recover than other groups.

Some progress in the reconstruction of public infrastructure was observed but much of the infrastructure in places visited had yet to be fully repaired or rebuilt. The lack of resources and poor coordination was reported to have hampered infrastructure reconstruction. In the education and health sectors, coordination was better and rebuilding faster.

Temporary shelter, displacement and resettlement

Most earthquake victims whose houses were majorly damaged or fully destroyed by the earthquakes continued to stay in self-constructed individual shelters built from bamboo, wood and CGI. Few changes or improvements were made to shelters between September 2016 (IRM-3) and April 2017 (IRM-4). Life in these shelters continued to be difficult due to a lack of space and hygiene and insufficient protection from bad weather, insects, snakes and other animals. None of the community shelters were in use, as they were deemed unfit for living.

The overall number of displaced households continued to decrease but previously displaced households still faced uncertainty and remained vulnerable. Few official steps had been taken to resettle them and address their vulnerability. Where authorities had proposed solutions these were deemed unsuitable. Information about the outcomes of geological land assessments had not yet been communicated to affected households and local government offices were also generally unaware of the assessments. Many displaced households felt abandoned by the authorities and therefore tried to find alternative arrangements for themselves, taking the risk of moving back to unsafe land or buying new land by taking large loans. Some moved because of tensions with local communities.

Social relations, conflict and psychological impacts

The security situation was stable in areas visited and no major new conflicts were reported. Social relations also remained largely unchanged. Yet, the majority of earthquake-affected people interviewed were still struggling economically and psychologically due to the financial burden of having to rebuild and to recover their livelihoods.

Volumes and types of aid received

Earthquake-affected people said they received little aid besides the housing grant. Local authorities and citizens often advocated for increased I/NGO involvement in rebuilding houses and infrastructure. Most of the aid provided by I/NGOs to support reconstruction was technical assistance, primarily trainings for masons and engineers. I/NGOs also provided some agricultural support, livelihood support, water and sanitation programs, and health and nutrition support. Some INGOs distributed cash grants for house reconstruction. As in previous research rounds, areas closer to roads and markets continued to receive more aid than remote settlements.

Needs, shortcomings and satisfaction with aid received

The reconstruction of houses and cash to rebuild remained the priority need for earthquake-affected households. Cash assistance was unanimously cited as the greatest need by earthquake-affected people and most NGOs but less frequently by government officials. Better and more reliable roads were also an important need for local communities. With water shortages still common, the repair or construction of water and drinking water infrastructure remained a frequently mentioned need.

Many earthquake-affected people did not feel that their needs were adequately heard and addressed; most said they would need more direct material assistance for rebuilding and increased access to cash and soft loans. Local communities were rarely involved in decision-making processes on aid. Earthquake-affected people also said they needed better and more timely information on various steps of the housing grant, such as timelines, outcomes of the grievance process and clarity on building requirements. Many complained about insufficient technical assistance and shortages of trained masons and construction laborers. Livelihood support from the government and I/NGOs continued to be sporadic and uncoordinated.

Nevertheless, those interviewed were satisfied or somewhat satisfied what they had received, except in Solukhumbu, where the housing grant had not yet been distributed. Satisfaction with I/NGOs had improved since IRM-3 and was generally higher than satisfaction with the government, with a few exceptions in VDCs where I/NGO programs had been unsuccessful.

Satisfaction with the housing cash grant scheme improved after people received the first installment but dissatisfaction with the amount of both the first installment and the grant as a whole, both being considered too small, remained high. Housing grant beneficiaries were also unhappy about the perceived lack of clarity on the housing grant process, especially on building requirements and the timeline for the distribution of further tranches. Most expressed the wish to receive more timely and clear information on the process.

The housing grant

Distribution. The distribution of the first installment of the housing grant was a key factor in speeding reconstruction in late 2016 and early 2017 – although this positive impact was offset by the fact that the second installment had generally not yet been distributed and by uncertainty and rumors about who would qualify for subsequent installments. By IRM-

4, the first installment of the housing grant had been distributed to nearly all beneficiaries who had signed cash grant agreements in Gorkha, Sindhupalchowk and Okhaldhunga. No security concerns, protests or other major concerns regarding the distribution process were reported. The first installment of the housing grant 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.

Access. As reported in IRM-3, beneficiaries often had difficulties physically accessing banks, especially in remote areas. Those wrongly excluded from beneficiary lists had generally not yet received their first installment even if they had filed a complaint. Further, in all districts a small but significant number of listed beneficiaries did not receive the grants. Some of those who had signed cash grant agreements were unable to access their money due to inconsistencies arising from mistakes in beneficiary lists or the cash grant agreement. Despite new provisions, access to the first installment was more complicated for those trying to receive the cash grant on behalf of a listed beneficiary.

Use. The majority of beneficiaries in VDCs visited said they planned to use the housing grant to rebuild their houses but many had not yet used it, mainly due to lack of funds for rebuilding. Only a small number of beneficiaries were using it for other purposes such as personal expenses, loans to family and friends, or improvements to shelters.

Complaints and grievances. Grievance management committees were formed but inactive in almost all of the VDCs visited. All complaints collected had been forwarded to the NRA and, at the time of research, large numbers were being passed back to the districts for further verification or reassessment. In Gorkha and Sindhupalchowk, some complaints forms were lost. Most still did not know the results of the grievance process. In the VDCs visited, only a small number of complaints had been approved by April 2017.

Technical assistance. Despite improvements in access to technical assistance since IRM-3, gaps remained: DUDBC engineer positions were still vacant and people in remote wards struggled more to receive technical advice. No-one had received technical advice on retrofitting and awareness of retrofitting options remained very low. Government-deployed engineers also faced logistical challenges that negatively affected their work such as frequent changes in instructions from the NRA and DUDBC, insufficient training, delayed provision of inspection forms, damaged tablets or cameras, limited internet access, lack of material and travel support, lack of official work space,

having to work in difficult geographical terrain and cover large areas on foot and low pay. Despite previous protests by engineers, their working conditions had not changed by April 2017. Some engineers were able to overcome at least some of the challenges and continue to support communities by finding creative solutions to technical problems.

While households were able to access technical advice in the VDCs visited, dissatisfaction over the quality of the assistance provided was common with many saying they had received contradictory advice or had received much-needed information on building requirements too late. Satisfaction with engineers was higher in VDCs where engineers were more accessible compared to VDCs where engineers only occasionally visited.

Building designs. Confusion about government-approved building designs was common. Many also thought the designs were too expensive or unsuited to their practical and cultural needs. In some places, local residents feared the loss of traditional architecture as most built two-room, one-story reinforced cement and concrete buildings, in line with what was most widely perceived as the approved building design. Compliance with approved building designs was reported to be low but those whose houses did not pass the inspection had not yet been told since there were expectations that more flexibility in building guidelines would later be granted by the government.

Politics and leadership

The formal roles of political parties in supporting recovery remained limited and had not changed since IRM-3 (early September 2016). The informal roles political parties played in IRM-3 during the cash grant agreement process did not continue. District Coordination Committees (DCCs) remained inactive and did not help to clarify the formal roles of political parties. There has been an increase in the activities of political parties at the local level. However, this increase was related to preparations for the local elections and local body restructuring.

The announcement of local elections impacted reconstruction. The enforcement of the Election Code of Conduct from March 1, 2017, meant that the distribution of material aid was restricted and NGOs and INGOs were not allowed to initiate new programs in villages. Further, the housing grant distribution was halted in three districts where it had already begun. It was expected that local government staff, including engineers, would be involved in elections-related work. In Solukhumbu, where cash distribution was yet to begin, the distribution of the first installment was postponed until the end of the second phase of the local elections, held on June 28, 2017. Apart from

local elections, local body restructuring did not have any impact on reconstruction activities in the areas visited in IRM-4.

Field data from IRM-4 did not indicate the emergence of new leadership in earthquake-affected regions. Although community members were generally dissatisfied with political parties, they still want local political party members to handle their issues. Community members were hopeful that the reconstruction process would pick up pace after the local elections.

Livelihoods

The agriculture sector had almost entirely recovered, but in some places geological damages due to the earthquakes, fears of landslides, crop depredation and water shortages continued to impact agriculture. A lack of manpower, particularly with the temporary shift of agricultural labor to reconstruction work, was also affecting agriculture. Yet, the shift to construction labor also meant that new, improved sharecropping opportunities emerged in Okhaldhunga, particularly for Dalits. Subsistence farmers generally returned to farming in the absence of other options and were struggling to make a living therefore remaining in need of additional livelihoods support.

As reconstruction progressed, the demand for labor—both trained masons and unskilled laborers—dramatically increased with shortfalls in many areas. This led to further increases in wages for construction laborers.

Markets had fully recovered in all four districts visited and businesses related to construction were prospering. In some places, enterprising business people were also able to successfully run new hotel and restaurant businesses, taking advantage of the arrival of new organizations and visitors since the earthquake. Businesses were also increasingly catering to and

thriving on the influx of wage laborers and masons. As predicted in IRM-3 (September 2016), the tourism business in Solukhumbu had recovered.

Livelihood-related support was listed by 21 of 24 wards in the study area as an important need. Specific needs were water, agricultural inputs and employment opportunities or income generation programs.

Coping strategies

Borrowing and debt. Borrowing continued to increase, along with the risks of debt traps. Almost everyone who had rebuilt had borrowed. Households yet to construct their homes were also planning to borrow across research areas. While borrowing was common before the earthquakes, the size of loans has since increased. Many of those who were uncertain whether they would receive the second installment of the housing grant, feared that they would not be able to pay back loans without it. Informal sources of lending were most common as few were able to access formal financial institutions and no-one had been able to access government loan schemes for earthquake victims.

Other coping strategies. Labor migration continued to be common but there were no significant changes to migration patterns in 10 of the 12 VDCs visited. As in IRM-3, however, many households planned to send members abroad in the near future to pay for rebuilding, especially if they would not receive the full housing grant. The sale of assets was not common, with only a few isolated cases of the sale of gold or land for house reconstruction. No-one was found to have adjusted their food consumption. In three VDCs in the research areas, labor sharing for house reconstruction was practiced, and households in Sindhupalchowk were collecting funds to repair roads or other infrastructure.