

Independent Impacts and Recovery Monitoring Phase 4

Synthesis Report:**April 2017**

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.