

POLITICAL ECONOMY ANALYSIS OF POST-EARTHQUAKE RECONSTRUCTION IN NEPAL

AN ASSESSMENT OF EMERGING ROLE OF LOCAL GOVERNMENTS



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List of Abbreviations/Acronyms

BFI	Bank and Financial Institutions
CDO	Chief District Officer
CLPIU	Central Project Implementation Units
DAO	District Administration Office
DDC	District Coordination Committee
DDMC	District Disaster Management Committee
DL-PIUs	District Level Project Implementation Units
DRRMA	Disaster Risk Reduction and Management Act
DTCO	District Treasury Controller Office
GDP	Gross Domestic Production
LDMC	Local Disaster Management Committee
LDO	Local Development Officer
LGOA	Local Government Operation Act
MOHA	Ministry of Home Affairs
NGO	Non-Governmental Organization
NPC	National Planning Commission
NRA	National Reconstruction Authority
OPMCM	Office of Prime Minister and Council of Ministers
PDRF	Post Disaster Recovery Framework
VDC	Village Development Committee

EXECUTIVE SUMMARY

This report is an assessment of the emerging role of the newly formed local governments in post-earthquake reconstruction. Post-earthquake reconstruction has remained in peril for a considerable period with three major bottlenecks. First, the government not only was completely unprepared to handle the massive disaster but also was unable to demonstrate leadership in problem-solving. Political manoeuvring was apparent from the very beginning as manifested in the formation of the National Reconstruction Authority (NRA); with disagreements in the appointment owing to differing political interests which led to delays in service delivery. Second, people did not have a legitimate political institution to hear and echo their voice as local governments were almost dysfunctional in absence of elected local representatives for nearly two decades. This systemic delink between state and citizens consumed most of the efforts of the state machinery to establish a viable mechanism to reach the people, which still remains a major challenge. Third, a critical gap exists between the state and the people in understanding the local needs of reconstruction. The absence of elected local representatives meant also non-existence of a legitimate institution that could reflect the real needs of people. The government could not take this devastation as an opportunity to support people to transform their living towards a modernized life, something people are aspiring for. Conversely, the government-controlled people's interests for the convenience of disbursing the reconstruction grant.

This study identifies two broad reasons behind lacklustre post-earthquake recovery process.

First, at the political level, overly centralised decision making in the distribution of reconstruction resources has made it difficult to effectively address the local concerns. Centralised approach has also caused information asymmetry between central and local authorities within the government as well as between government apparatus, including NRA, and communities. Second, at the procedural level, the recovery approach falls short of fully grasping the socio-economic aspects of the affected communities. The NRA has formulated a Post Disaster Recovery Framework (PDRF) (2016-2020) as a guiding framework to manage the reconstruction process that adopts 'owner driven' approach to disaster recovery. However, the framework has limited itself to the technical recovery of lost properties and promotion of resilient infrastructure reconstruction but has completely ignored the procedural inequities that might be created because of the pre-existing socio-economic disparities.

In sum, the unintended consequences of poorly conceptualized, centrally planned, and ineffectively executed reconstruction programmes are having a significant and lasting impact on vulnerable and disempowered groups and communities. Thus, effective disaster recovery and reconstruction processes require more than just good intentions to create general welfare. It should focus on removing pre-existing socio-economic inequalities underpinned by a centralised state structure. Amidst these issues, the local governments, with constitutionally devolved mandates to govern within their jurisdiction, assumed offices from May 2017, giving a hope that people would

get local leadership for solving their problems. However, an entrenched struggle between the local governments and erstwhile 'central' government, compounded with debates of 'distrust' and 'incapacity', has hindered the recognition of the role of the local governments in the reconstruction process. As a result, the local government is just limited to defusing the grievances of victims. Moreover, the local governments are struggling to find ways of institutionalizing their functions which have obstructed them to exercise their roles in post-earthquake reconstruction. Being excited by the election in an interval of almost two decades, the initial meetings of the local government executives made some formal decisions to take the responsibilities of reconstruction. Local governments showed a firm commitment to, resolve issues, and expedite the process of reconstruction. However, there remains a gap in devolving executive roles to the local governments mainly because of two reasons.

First, the reconstruction process was imagined in a centralized governance structure when there were no local governments. The local governments with extensive constitutional mandates came into existence later in the process. It took time for centralized governance structure to recognize the role of local governments in reconstruction. The gap further expanded due to distrust on the capacity of the local governments to implement rules and regulation. Nonetheless, a politics of authority holding, and resources control could be clearly sensed in the backdrop. Furthermore, the NRA also did not take any immediate and formal decisions to develop capacity and devolve roles to the local governments.

Second, despite having the political will to expedite the reconstruction process, the local governments could not find an appropriate entry point. Local governments found themselves helpless in addressing two impediments to reconstruction; deployment of technical personnel to communities, and disbursing funds. Therefore, their role was limited merely to collecting grievances. Except for a few already established municipalities, most of the local governments were newly constituted. Hence, they were completely occupied in setting-up organization, managing staff and learning how to function and finding ways to negotiate with the NRA and other central agencies. However, the local governments should take reconstruction as an opportunity to establish themselves as the trusted government nearest to the people. The local governments could have organized themselves for collective negotiation with the NRA and the federal government in order to get more significant roles in the reconstruction process.

A year after the elections, the local governments have made some progress but amidst huge expectation of the public, the pace is rather slow. Elected representatives agree that they have been unable to deliver as expected. Therefore, it is imperative to invest in developing the institutional and structural capacity of the local government in order to form a disaster resilient society. Four strategic interventions are identified for enhancing roles of the local government in the reconstruction process and capacitating them to deal with disaster risk management- 1) assessing and developing disaster risk management capacity; 2) strengthening institutional memory; 3) strengthening communication; and 4) institution building.

1

CONTEXT AROUND THE GORKHA EARTHQUAKE 2015

The aftermath of a powerful earthquake of 7.6 magnitudes on 25 April 2015 with its epicentre at Barpak, Gorkha district, 76 kilometres northwest of Kathmandu combined with a major aftershock of 6.8 magnitude on 12 May 2015 with its epicentre at Dolakha district, 85 kilometres northeast of Kathmandu, along with several other aftershocks resulted in at least 9000 casualties and affected nearly one third of the total population of the country. The earthquakes partially or fully damaged/destroyed nearly a million houses in 31 of the 77 districts, out of which 14 districts were declared severely affected and 17 partially affected in central-west districts of Nepal (National Planning Commission [NPC], 2015). The catastrophe added a chronic burden to Nepali state and people, already straining under decades of political crisis and instability. The devastation took place at a time when political parties were still negotiating on a new constitution from the second constituent assembly¹. Political

parties were deeply divided and engaged in contestation while drafting a constitution that would shape Nepal's journey to federalization. This phenomenon combined with the absence of locally elected representatives for two decades saw government appoint bureaucrats at the helm of decision making at the local levels².

With weak public governance that had invested very less in disaster preparedness, people were sceptical that immediate response to the devastation would take place smoothly. Though state machineries like Nepal Army, Armed Police Force and Nepal Police were immediately engaged in rescue and relief (such as delivery of essential goods at the district level), 'administrative bureaucracy' (LDO, DHO) waited for the directives from the government and acted too late failing to realize their crucial responsibility while in the absence of representative governments. This created a disconnection between district state institutions and victims.

¹The decade-long armed conflict in Nepal was ended in 2006 with an agreement to promulgate constitution through the constituent assembly. The first constituent assembly election was held on 2008. Despite the struggle of four years, the Constituent Assembly could not deliver the constitution as the political parties failed to make a compromise but left the constitution-making process protracted. For correcting the constitutional process, second constituent assembly election was

held in 2013 by the non-partisan government, which delivered constitution on 20 Sept 2015.

²<https://asiafoundation.org/2015/06/24/nepal-the-quake-and-the-constitution/>, accessed on 15 March 2018.

Failing to respond effectively in the post-earthquake context, legitimacy of the 'political class' and 'political parties' was undermined. The glue that bonded common people with their representatives was broken. On the one hand, it further weakened the culture of 'representative democracy' eroding the trust of political parties in society, on the other, it facilitated the emergence of new leadership and new leaders³ both at the national and the local level.

Initial mechanism of allocating 'victim identification cards' and fund through Chief District Officer and then devolving to VDC secretary through the approval of All-Party Mechanism increased disenchantment with the system. This mechanism further distanced citizens from the state and tied to mainstream parties' clientelism. Altruistic values of volunteerism that glued Nepali society during the time of quake slowly faded away as the government policies and political cronyism created a divide between those who have access to relief resources and those who have not.

Social cohesion and intra-communal solidarity largely remained strong in the immediate aftermath of the earthquake. However, social tensions threatened to

³New leaders are not necessarily political leaders, but those new faces who emerged at the civil society sphere to help the earthquake victims. Political leaders who were once influential at the districts in the pre-earthquake context have been challenged by those new faces who became actively involved in rescue and relief work.

emerge as perceived discrimination and inequality in relief distribution along the lines of caste, ethnicity, and religion were documented. Moreover, resentment over damage assessments and their impact in the reconstruction phase as well as over resettlement procedures incited conflict in certain locations. Vulnerable and marginalized groups were put at further risk as structural inequalities and prevalent forms of exclusion and discrimination persisted.

In spite of the criticism of an unjust distribution of relief packages, Nepali state was largely appreciated for smooth disaster rescue and relief. However, the aftermath became an opportunity for political manoeuvring for establishing an independent body, 'National Reconstruction Authority (NRA)' to rebuild damaged properties- both public and private. The failure of the first attempt to establish the NRA was largely criticised for its unnecessary politicization. In addition, as the state was not adequately prepared for addressing such huge devastation, the formation of the NRA was questioned on several grounds of mandates and capacity of functionaries.

Moreover, the earthquake occurred at a particularly dynamic political moment when the country was on the later phase of the seven-year-long exhausting process of writing a new constitution. Major political parties, rather than focussing on the management of earthquake,

delegated the authority to bureaucrats, local and international agencies and to the public. The earthquake proved to be an 'exogenous shock' for the major political parties who put aside their contentions on constitution drafting and governing mechanism and came forward positively to respond to both constitution making process and post-earthquake reconstruction⁴.

The country got a new constitution from the second constituent assembly on 20 September 2015. Despite certain criticism and backlash, the Constitution, to a certain degree, ended the political turmoil allowing the Nepali state to attain institutional stability. The political negotiation centred on determining the number of and delineating boundaries of local government as those issues were delegated by the Constitution to the Local Government Restructuring Commission. Once the issues, the boundary and the number of local governments were settled, political parties redirected their focus towards gaining space in the post-constitution elections. There was a high expectation that reinstatement of local governments, at a gap of almost two decades, would bring the derailed public governance back in track and thereby expedite the sluggish reconstruction process.

⁴<https://www.nytimes.com/2015/06/09/world/asia/earthquake-prods-nepal-parties-to-make-constitution-deal.html>, accessed on 20 May 2018.

The bureaucratic state apparatus developed a plan for reconstruction and development and sought to mobilize a fund to finance it. Given the extensive damage, equivalent to 10 per cent of the total GDP, reconstruction was a financial challenge as well. Post Disaster Need Assessment (PDNA) conducted few days after the earthquake, attempted to translate the damage caused by the earthquake to a single number, which reduced the reconstruction process to a mere technical recovery of damaged infrastructure rather than the reduction of the vulnerabilities that induced the disaster at the first place.

Despite being a seismologically active country with a history of devastating earthquakes, Nepal did not have any separate government agency specifically designated for disaster preparedness, mitigation and response. Ministry of Home Affairs (MoHA) was the nodal agency to coordinate the works of several other ministries and agencies regarding disaster management. In the immediate aftermath of the earthquake, it became apparent that none of the agencies were ready to respond to the disaster.

The political-economy context that exists before the event often shapes what happens in the aftermath of a disaster. By this account, the post-disaster reconstruction process is influenced not only by the actions of relevant stakeholders but also by bias, (in)justice, and (dis)advantage that

prevailed in the pre-disaster settings. Such structural prejudices are often manifested in and reinforced by the institutional mechanisms. For example, the blanket approach in defining ‘victims’ and ‘what constitutes victimhood’ instigated a deep crisis in social order in the villages by increasing, disintegration of joint families, and divorce rate.

Inability of the government institutions to coordinate activities with other non-state organizations fuelled further discontent especially on how privilege is defined and understood. There were instances where groups historically perceived as privileged, but whose predicament was no less in post disaster situation, felt neglected by the state and non-state agencies in the post-quake context.⁵ The complex geographies, socio-economic circumstances, and the contemporary political dynamics have resulted in institutional capacity deficits leading to a procedural vulnerability in the post-earthquake reconstruction process, in turn adversely affecting the inclusive recovery and resilience. Notwithstanding the good intentions, the reconstruction approach has been less than mindful of economic realities, social aspirations, and political processes. Consequently, affected communities have been left out of the process and are disadvantaged at multiple levels.

The Central government, after heedlessly delaying the reconstruction process,

established National Reconstruction Authority (NRA) through the Act passed by the parliament in December 2015 to oversee the entire process related to post-earthquake reconstruction. Several other government ministries, non-government organizations, and donor agencies were also part of the process. As the country was lacking elected political leadership at the sub-national level, particularly in local bodies, NRA was basically structured to be handled by centrally deputed bureaucracy. Despite being centrally led, the work of apex reconstruction agency has been far from satisfactory.

Yet, the context of the country has now changed. Nepal has been restructured into three-tiered federal governance system. All three levels of governments, federal, provincial and local, are autonomous with their rights rendered by the constitution. In other words, the newly created sub-national governments have sovereign authority to write laws and policies, design and implement programs, and source revenue, among others. With this extensive mandate, the sub-national governments, especially at the local level, can intensify their role in the reconstruction process.

⁵Rapid Situational Assessment of Highly Affected Districts, The Asia Foundation, 2015

2

OBJECTIVE, SCOPE AND APPROACH

The objective of this analysis is to highlight the emerging political economy issues on the role of local governments in the post-earthquake reconstruction process. The analysis is mainly based on the perspectives of the local governments and people. This study reflects how the local governments are positioning themselves to expedite the reconstruction process, regulating the building codes and, by large, assuring people's right to safer housing as provisioned in the fundamental rights of the Constitution of Nepal. The scope of this study is limited to identifying emerging issues on post-earthquake reconstruction that the local governments have experienced in the last one year after they assumed office following the election on 15 May 2017. This report documents the issues of reconstruction at the local level and the efforts that local governments are making to facilitate reconstruction.

In specific, this report explores how, and if, the local governments would assert their constitutional rights to intervene in the reconstruction process and potentially return the derailed process to the right direction and speed. Additionally, the report identifies opportunities for reducing procedural vulnerabilities that communities confront in the '*building back better*' effort thereby minimizing the

inequities that exist among the affected communities.

This study is based on Political Economy Analysis (PEA) framework. The PEA framework informs by identifying actors involved in any activity, their interests, and associated incentives while doing those activities. The PEA also allows identifying the ways and modes of interaction among actors and management of the relationship. The study uses the PEA framework to identify actors, interests, and incentives involved in post-earthquake reconstruction. While doing so, we keep local governments at the centre and identify actors that interact with local governments, directly or indirectly, for carrying out functions of post-earthquake reconstruction. This helps to identify how different actors influence, converge or diverge, activities of local governments. The local governments, being a key actor of this analysis, the study analyses how they manage to uptake their responsibilities related to reconstruction.

This study has adopted a multi-pronged approach to data collection and analysis, to capture both quantitative and qualitative information at policy as well as at operational (implementation) level. The qualitative research involved teams

to conduct interviews with different stakeholders at both the field level and national level. Elected representatives and administrative officers of 15 local governments were interviewed extensively (Annex 1). Similarly, senior officials, engineers and technical officials at NRA as well as inline ministries were also interviewed. The research team also held a discussion with local technicians, masons, representatives from non-governmental organizations involved in reconstruction and beneficiaries. The sampling of districts and municipalities

was based on the severity of damage caused by the earthquake as well as urban-rural differentiation.

Furthermore, news reports on the reconstruction process, reports published by the government and non-government organizations were also reviewed. In some cases, to track the progress, follow-up visits were also organized in local government. Checklists were used for the in-depth interview. The research team also used observation as a tool for data collection.

3

ORGANIZATION STRUCTURES FOR POST-EARTHQUAKE RECONSTRUCTION

A number of special purpose institutions are working towards post-earthquake reconstruction. This section analyses the institutions involved in post-earthquake reconstruction and issues related to their functioning.

3.1 National Reconstruction Authority

The National Reconstruction Authority (NRA) was established on December 25, 2015, through National Reconstruction Authority Act 2015 with a tenure of five years, with one-time extension possibility, to expedite post-earthquake reconstruction initiatives. The Act emphasizes the need of establishing the NRA as to ‘promptly complete construction works of structures damaged [...] in a sustainable, resilient and planned manner and to promote national interests and provide social justice by making resettlement and translocation’ (Nepal Reconstruction Authority [NRA], 2018)¹.

The NRA then envisions its role as to facilitate the development of ‘well-

planned resilient settlements and a prosperous society’ and stands to ‘provide leadership for completing reconstruction and resettlement with a clear plan of maximizing the use of local labor, resources, and means, and international support’². Steered by Prime Minister with a team of high-level decision makers, the NRA is mandated to lead the entire process of reconstruction very prudently. There are several government agencies and actors that make-up the reconstruction eco-system. National Reconstruction Authority (NRA) resides at the apex and co-ordinates other agencies and processes. NRA is also the ultimate decision-making body regarding almost all aspect of reconstruction. Besides NRA, other central level agencies like Ministry of Federal Affairs and Local Development, Ministry of Urban Development, Ministry of Education, and Ministry of Culture and Aviation also play a major role in the process.

The Post-Disaster Recovery Framework, the blueprint for reconstruction, was

¹<http://nra.gov.np/oldsite/uploads/brochure/kcuWTDZkP160114062918.pdf>, accessed on 14 May 2018

²<http://nra.gov.np/pages/view/pZ9GBDg3oVGW5NF41pktAS1vANvM6kspb1Ohgkdn-qM>, accessed on 15 May 2018

developed by the National Planning Commission (NPC) under the guidance of the NRA Steering Committee with the aim of defining the vision and strategic objective of Nepal's recovery. It also '[...] encapsulates the policy and institutional frameworks for recovery and reconstruction, as well as outlining implementation arrangements projected financial requirements and immediate next steps necessary to ensure implementation of the framework' (National Planning Commission [NPC], 2015).

The NRA, due to its first experience of carrying out the reconstruction activities, invested its several early months on setting up the office, recruiting staff and defining procedures and identifying beneficiaries.

Central Project Implementation Units (CLPIU)

Before new government structure came into practice³, four ministries were delegated to serve as central project implementation units (CLPIU). These ministries were, namely, Ministry of Urban Development, Ministry of Federal Affairs and Local Development, Ministry of Education and Ministry of Culture, Tourism and Civil Aviation⁴. Each of the CLPIUs at the ministries was supposed

to have their own District Level Project Implementation Units (DL-PIUs) in 31 earthquake-affected districts. As per the recent restructuring of the NRA, approved by Steering Committee on 1 April 2018⁵, there are some major changes in its organizational structure. The CLPIUs are now under the NRA. These project implementation units mainly oversee the technical aspects of the implementation and play roles in grievance handling and financial management. As claimed by the NRA, this change in structure is required to expedite the reconstruction process in a changed context. However, there is a risk of institutional memory loss and lack of required support from the line ministries for continuing the reconstruction activities.

District Coordination Committee (DCC)

DCC was composed of the Members of Parliament (MPs) who represented the concerned district at the Legislature-Parliament, the Chief District Officer (CDO) and Local Development Officer (LDO) of the concerned district. Additionally, the committee could also invite other government agencies as per requirement. The regular invitees were the representatives from the police force, engineers from DL-PIUs among others.

³The Cabinet restructured the ministries in line with the new Constitution on 23 February 2018.

⁴The decision of the Cabinet to restructure Federal Ministries, name and scope of these ministries have been revised as decision published in Nepal Gazette on 2 May 2018.

⁵, the NRA Steering Committee decided to rearrange NRA organization structure in line with the in federal government structure. The new government structure has reduced the number of ministries and roles of district organization have been devolved to local governments.

DCC had, at least until recently, a major role to play in coordinating activities of all the agencies in the respective districts. More importantly, they were the key decision-making authorities in handling beneficiaries' grievances. They also played a vital role in linking NRA and the other ministries with the local level bodies. Nevertheless, the DCC was criticized for poor functioning for two reasons- a) unavailability of MPs in the district due to their engagement in their political party activities, and their loyalties limited to their constituencies⁶, and b) the frequent transfer of CDO and LDO made the DCC dysfunctional.

With the restructuring of central level ministries and their decentralized offices at the district levels in response to the constitutional arrangement and subsequent decisions of the government, the NRA also decided to restructure its organizational structure. The new organization structure is relatively slimmer at both the central and district level. At district level, three separate district project implementation units – grant management and local infrastructure unit; building unit and education unit- are proposed. Although,

⁶In discussions with the beneficiaries in Dolakha, Sindhupalchowk, and Ramechhap, they had a common complaint against MPs. It was hard to find MP's time and people felt that the MPs were loyal only to their constituency. A beneficiary in Ramechhap even accused of political bias in recommending the names as potential beneficiaries. The CDO and LDO also had a similar experience on the engagement of MPs.

one of the reasons cited by the NRA for restructuring was devolution of function to local governments⁷ however, the NRA has not explicitly mentioned how it would coordinate with the local governments for carrying out the reconstruction work. The revised structure of the NRA does not propose any structural relationship between NRA and the local governments. A possibility would be to recognize the role of DCC as a coordinating body between the local governments and the NRA as it is composed of elected representatives from among the local governments within the district.

The Disaster Risk Reduction and Management Act has provisioned the committees at district and local level separately. The District Disaster Management Committee (DDMC) is chaired by CDO and representative from DDC and the chiefs of the local government are members, among others. The Local Disaster Management Committee (LDMC), on the other hand, is composed in the chairmanship of the municipality/rural municipality chief. Local governments could form this committee and undertake disaster risk management activities including post-earthquake reconstruction in more planned and sustainable way. Unfortunately, the local governments are yet to initiate the formation of local

⁷National Reconstruction Authority, 2018, Organization Manual, http://nra.gov.np/pages/view/zZGvcH29pMjzDkliueRocliOhpfSfQHQ7nKgkl_rwnk, accessed on 20 May 2018.

disaster management committees.

A clear framework of coordination among district level organizations of the NRA, district disaster management committee and local disaster management committees would support a common goal of making disaster resilient society.

3.2 District Treasury Controller Office (DTCO)

District Treasury Controller Office (DTCO) is a government body responsible for verifying and authorizing the request from project implementation units for the disbursement of funds. The DTCO keeps records of government treasury and releases fund after receiving a valid claim from the beneficiaries. The efficiency of DTCO is manifested through the early clearance of valid claim to the beneficiaries. Often discrepancy in statistics provided by DTCO and DCC is noticed; where DCC claims DTCO undermines the actual number of reconstruction claims⁸.

3.3 Local Governments (Municipalities and rural municipalities)

The Municipalities and VDCs⁹ are the first line of contact for beneficiaries to lodge

⁸<https://thehimalayantimes.com/nepal/reconstruction-dolakha-sluggish/>, accessed on 10 May 2018

⁹Before new structure came into effect on 10 March 2017, Nepal's local units were termed as Municipality and Village Development Committee. These units were serving as a deconcentrated unit of governance with limited roles and responsibilities. But because of the absence of election at local bodies, these units were run by bureaucracy for almost two decades.

their requests, concerns, and grievances regarding reconstructions. They have been an integral part of the reconstruction process from the beginning despite not having elected representatives. Their involvement was crucial for the baseline survey and information collection in the aftermath. Further, they were instrumental in processing various requests from beneficiaries as well as in coordinating with the higher authority.

The NRA Act, however, did not formally recognize the role of the local bodies. The National Reconstruction and Rehabilitation Policy 2016 recommended a separate structure to lead the overall reconstruction process at the local level¹⁰. The policy very loosely recognized the role of local bodies in policy implementation but did not mention exclusively how they (local bodies) could play out their roles. The then local bodies, specifically VDCs, could not revert to any important roles as they were almost dysfunctional in the absence of elected representative and lacked adequate technical capacity. This was particularly valid for most of the VDCs. Following the local government election in the new federal setting, the NRA also deputed technical personnel like engineers and overseers to be based in these local governments, although the number of such personnel varied significantly among the affected areas. The deputation of

¹⁰http://nra.gov.np/resources/details/k6DuRNF4xqIWy03vY3cQY3Yko70Yf3enBNa-E100_-c, accessed on 10 May 2018

technical personnel did expedite the reconstruction process to a certain extent in terms of approving requests and resolving grievances. However, this has created a new governance dilemma on the part of the local government. The problem relates to holding these personnel deputed from the central NRA accountable for their performance. Neither the NRA nor the local government is able to hold them accountable¹¹. This is because of dual direction and reporting structure. On the one hand, these technicians were hired, trained, paid and deputed to field by NRA and thus required them to report to NRA through central or district offices. On the other hand, technicians

were under functional supervision and direction of local governments where they were based. Moreover, there was no coordination mechanism between NRA and local governments to direct and supervise the workings of the technicians and to take corrective measures when needed. This lack of integrated accountability framework decapitated local governments' ability to hold the technicians on the ground accountable.

The other issue relates to institutional deficiency of the local government itself. Although local governments in Nepal have a long history of being in existence, almost fifteen years void of elected representative meant there was no investment in strengthening the local institutions. As a result, maladministration and corruption were rampant (TAF 2012). On top, the constitution has accorded various power, roles, and responsibilities to the local government, which exceeds their previous roles by far and beyond. Consequently, local governments are facing a double burden, one, they need to institutionalize their own functions and functionaries and the other, they need to address heightened expectations and demands of the people.

Many local governments in earthquake-affected districts are struggling for a long time to establish basic facilities like setting their own offices and getting the adequate number of staff in place. For an extended period of time, the NRA and the central government could not find definite ways to engage the local governments in the

¹¹In the meeting with the elected representative of Local Government in Dolakha, Sindhupalchowk, and Ramechhap, they unanimously echoed weak accountability mechanism of technical personnel towards local government. The NRA claims it has deployed the technical personnel under local governments with the authority of mobilizing them and attesting their attendance, required for receiving the salary. Whereas the local governments claim the technical personnel are accountable towards NRA district office and thus maintain detached relationship with the local governments. They shared their difficulty to hold technical personnel accountable towards beneficiaries. Nevertheless, in some local governments, they have encouraging engagement with technical personnel. A Ward Chairperson in Dolakha shared he was thankful to engineer as he rarely left the village. The engineer was always with beneficiaries, providing technical support to people and monitoring reconstruction work regularly. Whereas, the other Ward Chairperson complained of the engineer who rarely stayed in the village to supervise construction. He came after a month's gap and asked for attendance verification. The Ward Chairperson without much questioning verifies attendance with a mere hope that people are getting some services. Displeasing engineer can lead to not seeing them at all. Therefore, the Ward Chairpersons do not take the risk.

reconstruction process. Also, there was a deficit of trust between NRA and the local government, both having interest in resource mobilization. For example, local governments have expressed their interest in the distribution of grants and inclusion of additional people from their jurisdiction as beneficiaries. However, they severely lack the institutional capacity to verify documents, keep records and quality control the reconstruction among others. In the meantime, the NRA would have less desire to relinquish power to mobilize billions of rupees in the reconstruction fund. It is worth noting here that the NRA would rely on other line ministries for channelling of information and until recently, mobilization of technical resources. Any delegation of authority to mobilize resources would place a question on the very rationale of the NRA's existence.

3.4 Procedure to get benefits

There are three broad procedural categories—(a) information flow; b) technical supervision and c) financial flow. The first and probably the most important is a robust system of information flow. The Grant Distribution Procedures for Private Houses Destroyed by the Earthquake 2016¹² defines nine stages to complete the reconstruction process and fund disbursement to the beneficiary, each

stage having an internal sub-system of information flow interlinked with other mechanisms.

- Stage 1 : Identification of beneficiary
- Stage 2 : Agreement between the beneficiary and local authority
- Stage 3 : Opening of bank account
- Stage 4 : Disbursement of the first instalment
- Stage 5 : Technical verification - 1
- Stage 6 : Disbursement of the second instalment
- Stage 7 : Technical verification – 2
- Stage 8 : Disbursement of the final instalment
- Stage 9 : Final technical audit

In each of these stages, a number of actors are involved. With the involvement of multiple actors, the chance of communication gaps increases significantly. For example, three rounds of surveys were required to find the exact number of beneficiaries. Still, the NRA has around 13 per cent grievance to resolve, most of which are related to eligibility to be in the beneficiary list. This was mainly because of inadequate communication to people what major criteria were adopted to enter into the beneficiary list. Also, the government revised eligibility criteria in every new decision.

In addition, gaps are observed in technical verification of documents and release of the second and third tranche. The verifications of documents are done at four levels- at field level by engineers, at

¹²National Reconstruction Authority, http://nra.gov.np/resources/details/kaMJMIjSuDTSMoCNrGLCvJNYoOliQGpuoOGc_L9eQcg, accessed on 14 April 2018

DL-PIU by NRA officials, at DTCCO, and at Bank. Even if the process flows normally, it would take several weeks to complete. In every stage of verification, beneficiaries were likely to require furnishing additional documents. Since, the other two processes—technical monitoring and assistance; and financial management are strongly connected to the information flow at several stages, causing a delay in the overall process.

The NRA mobilizes all the financial resource for reconstruction. Municipalities do not have allocated resources—either under the budget provided by the central government or the internal source—for reconstruction. In sum, the reconstruction process is characterized by procedural incongruities and bureaucratic hassles which resulted in delays in reconstructions despite NRA's continuous attempt to streamline the process over time using various guidelines and regulations.

4

BASIC STATISTICS OF RECONSTRUCTION

Nearly three years after the devastating earthquake, the reconstruction process has finally gained some progress. After three years of the plight and precarious living conditions, most of the affected families are now engaged in the reconstruction of their individual houses. With three phases of survey¹ of the beneficiaries, the latest report of NRA (Table 1) claims to have reached to at least 90 per cent of the affected population. Of the total eligible beneficiaries, the agreement has been signed with 92 per cent. Among them, 98 per cent of the beneficiaries have already received the first instalment, 47 per cent second and 13 per cent third. As of now, 20 per cent beneficiaries have completed reconstruction of individual houses and 61 per cent houses are under construction. Likewise, 55 per cent have applied for the second instalment and 19 per cent for the third. It shows that the reconstruction is gaining statistical progress, in a haul of three years; however, further analysis is required to understand whether public expectations are met.

Table 1: Basic statistics of reconstruction

Categories	Number of beneficiaries
Household surveyed	996582
Eligible for grant	767705
Eligible for retrofit	24991
Agreement signed	711537
First tranche disbursed	698931
Second tranche disbursed	333727
Third tranche disbursed	95439
Completed individual house	143832
Household under construction	440981
Application for second tranche	390264
Approved for second tranche	379573
Application for third tranche	133002
Approved for third tranche	126058
Total grievance registered	237085
Reviewed grievance	205584
Addressed grievance	205584

Source: National Reconstruction Authority², 2018

¹ The survey was conducted in three phases: for 11 severely affected rural districts between January 15, 2016 and June 20, 2016, for 3 Kathmandu Valley districts - Kathmandu, Lalitpur, Bhaktapur - between July 11, 2016 and September 15, 2016; and for 17 moderately affected districts between November 21, 2016 and April 14, 2017.

² The table is retrieved from <http://nra.gov.np/mapdistrict/datavisualization>

5

DISTRIBUTIVE AND PROCEDURAL
(IN) JUSTICE IN RECONSTRUCTION

The distributive or procedural justice issues is related to the process of distributing or allocating resources by an authority. The state often acts as the authority in making the allocation decision in post-disaster reconstruction context, based on a certain rule. There are several distributive rules such as equality, equity or need of the recipient, to help decision-makers to make allocation related decisions. Equality rules, for example, prescribe providing the same amount of resources to everyone, whereas, equity rules consider the resources already available to the recipient. Similarly, the need-based rules are decided considering whether or not the resources satisfy the need of the recipient.

The adoption of the actual rule of distribution depends mainly on the structural nature of a state, cultural aspect of a society or personal decision of participants (Vermount & Tornblom, 2016). This notion is based on Rawls's idea of justice and injustice as 'characteristics of society, not of the individual condition or conscience' and that 'the provision of justice in distribution is the responsibility of the state'. A state while applying principles of justice targets fairness in distribution and allocation of resources. The fairness of applying these rules, however, depends

upon the outcome of the distribution of resources. When the perceived or actual benefits are considered unfairly allocated in a society, the recipients feel unjustly treated and remain unsatisfied and upset. The equality rule in which everyone receives the same amount of resources irrespective of their characteristics or differences seems to be the simplest to implement. However, the pre-existing conditions or characteristics of some recipients are different. Hence, the equal distribution of resources does not necessarily result in equal outcome to all the recipients. Consequently, in such cases, the distributive process just perpetuates the pre-existing inequality.

It is well accepted that not all groups and communities are equally affected by the disaster, and they are differently vulnerable in the disaster situation. The vulnerability is determined by the "political-economic characteristic of the society in which they live that shape and condition that relationship" (Oliver-Smith, 1996). Economic vulnerability, in this context, is considered a disadvantage as it results in the lack of access to key resources.

Middleton & O'Keefe (1998) claim "people are vulnerable because they are poor

and lack resources, and because they are poor and lack resources they are vulnerable". In a post-disaster condition, such vulnerability is strongly influenced by political and economic power relations manifested through material practices of reconstruction, like building codes, availability of and access to financial assistance etc. The other aspect of social justice is procedural justice. Where distributive justice relates to the perceived fairness of final outcomes, procedural justice is the result of the perceived fairness of the decision-making process. That is, apart from the resource distribution rules, the resource-allocation process also determines whether the final outcomes are equitable.

The earthquake has provided an opportunity for the government to advance the extent of its presence in the society operating in absence of an effective local government for a considerably long period. With inadequate preparation, lack of previous experiences and capacity in handling such a large-scale disaster, the reconstruction process suffered from, ill-coordination and competing institutions with their own interests, further exacerbating already problematic process which suffered from contentions right from the beginning of the formation of the National Reconstruction Authority¹. The dissolution of the government's effort

into multiple, ill-coordinated agencies reinforced their inefficient image. Due to the minimal presence of government in topographically challenging regions, lack of resources and capacity, mechanisms to effectively monitor government and non-governmental reconstruction support prior to the local elections was limited to ensure accountability in the grant distribution process².

Procedural vulnerability thus resulted in a systemic disconnect in the state-citizen relationships. This vulnerability arises from people's relationships to power rather than environment, and the ways that power is exercised. In such contexts, it may be difficult to distinguish between the predatory opportunism of vested interests in dominant society and misguided, ignorant, or simply discriminatory approaches to post-disaster assistance. The patronizing '*we know what's best for you*' tendency of state functionaries in prioritizing rebuilding of houses as per housing design guidelines developed by the government. These designs again reinforce centralized decision-making tendencies that again limit local level engagement in the design processes that would've allow some flexibility to meet the actual needs of the disaster victims.

¹<http://admin.myrepublica.com/politics/story/31617/reconstruction-authority-bill-in-limbo.html>, accessed on 12 March 2018.

²<https://www.spotlightnepal.com/2017/09/24/ingos-reconstruction-success-galore/>, accessed on 15 May 2018.

6

INEQUITIES IN
RECONSTRUCTION PROCESS

Nepal has adopted 'owners driven' housing model which is an established approach of post-disaster reconstruction around the world. The World Bank, one of the principal lending agencies for the housing reconstruction in Nepal, also endorsed the decision to adopt the 'owners driven' model. The approach is preferred over alternatives like 'government-driven model' because of its benefits both as in process and outcome such as 'empowering', 'dignifying' and 'sustainable'. The 'owners driven' housing recovery model allows the disaster victims to undertake the reconstruction of their houses. The state often enables households or 'owners' by providing conditional financial aid usually complemented with technical support and supervision to reconstruct the damaged or destroyed houses (Tafti & Tomlinson, 2015). The aim of reconstruction is not only to ensure and promote safe building practices but also to put the owners themselves at the helm of the reconstruction process, thereby involving people in the decision-making process of the housing recovery. However, in many cases, people had little choices in design, construction, and access to fund¹

¹In a number of discussions with local beneficiaries in Sindhupalchowk, Dolakha, and Ramechhap, they reportedly indicated limited choices in the selection of design, the collection of construction materials and access to fund. 'We do not know what other models are available to choose. The engineer said two-room houses are suitable for this area. We all are making a two-room house. The local government officials also did to tell us what other alternatives are available. We also did not

as engineers recommended the release of grant instalment only for those beneficiaries who have followed the design/s suggested by the building codes. In fact, people did not have adequate information on the range of designs of the house which they could select to meet the requirement.

a) Land tenure and access to the reconstruction process

Owner-driven housing reconstruction approach focuses on aiding house owners while undermining the housing needs of the non-owners who are equally impacted by the earthquake. These groups include tenants, house-sharers, and squatters. Hence, the housing recovery of the non-owners remained as least priority in the reconstruction process. Given the socio-economic status of Nepal, still some proportion^{2,3} of the population are

want to take risk of managing documents, so followed as said by the engineer', said a 51-year beneficiary, Likhutamakoshi, Ramechhap. This issue was raised by several other beneficiaries in Ramechhap, Dolakha, and Sindhupalchowk. They also reported having limited information on the process of getting grant and furnishing documents which had a significant delay in receiving financial assistance.

²A report from United Nations records 1.3 million households are landless or land-poor in Nepal. <http://un.org.np/oneun/undaf/landless>, accessed on 12 March 2018.

³A study report among the 14 most affected districts shows around 5 per cent of people did not have land ownership. <https://nepal.unfpa.org/sites/default/files/pub-pdf/Nepal%20quake%20socio-demographic%20>

landless and do not have house-ownership. Ownership non-holders of land or house faced restriction to receive the housing assistance from the government (The Asia Foundation, 2016). It took over two years for the NRA to address the differential needs of the landless household and decide to provide additional NRs 200,000 to purchase land and/or to relocate due to geo-hazards.⁴

In the post-disaster recovery framework, there is no recovery plan or provisions for renters. Instead, the NGOs stepped in to help these renters and squatters by providing them with rental assistance in some of the affected communities. However, the geographic scope of their operations was limited and did not reach all the people in need. The inadequacy of such housing recovery programs can have a long-term impact on the non-owner groups. The procedures and policies have made it nearly impossible for tenants and squatters, who are genuine victims of the earthquake, to access the government relief. While local NGOs have built housing for some of these groups, others are forced to live outside of the formal recovery process.

The major challenge relates to land ownership status of the potential

beneficiaries, which often lies in contrasts with the regulation set out by the NRA. The various status of land titling like joint-ownership (*Mohi and Talsing*) or no ownership (squatter settlements)) has prevented beneficiaries to receive the housing aid within 'owner driven' model. Similarly, many households were considered ineligible for assistance; either they were misclassified or erroneously omitted from the list of beneficiaries during the survey. With the current approach, many renters and squatters will not achieve their housing recovery needs such as security of tenure, affordability, location, and quality of shelter.

b) Differentiated context and capabilities of disaster victims

The Post-Disaster Recovery Framework, in its current form, does not recognize the different conditions and capabilities of the affected homeowners to act on their housing recovery. Accordingly, the financial and technical assistance does not correspond to the differentiated needs of the affected groups in the society. The differentiated capacity of disaster victims to recover often stems from different socio-economic factors that either pre-existed or were induced by the earthquake itself. For example, some households have the property-owner member absent which make it difficult to access the assistance. Based on the current approach, all administrative work regarding reconstruction is to be undertaken by the owners themselves.

impact%20study.pdf, accessed on 12 March 2018

⁴Press release of National Reconstruction Authority on 27 April 2017. News covered in <https://thehimalayantimes.com/business/national-reconstruction-authority-support-vulnerable-marginalised-survivors/>, accessed on 12 February 2018.

In absence of male owners, female of a family find systemic difficulty to effectively deal with the process that is dominated by male—from bureaucrats to engineers to masons⁵. When the female lacks property ownership, participating in the reconstruction process becomes even more difficult.

Likewise, another group of households with different capacity were those who started the reconstruction process later than others or could not keep the same pace of rebuilding as others⁶. Last year, NRA set January 2018 as the deadline for the beneficiary who had received the first tranches of Rs. 50,000 to rebuild the house to receive the second tranches of instalment. The idea of setting deadline was ill-conceived and Jan 2018 was ill-timed as many households could not meet the deadline as the amount was insufficient to build the house with NRA's standard.

To make matter worse, there were rumours that families missing the deadline would have to return the first tranche to government and that their children would

not get birth and citizenship certificates and thus, could not go to school.

People rushed to rebuild their house to meet the deadline. They were forced to borrow money. But the quality of houses thus built were simply unliveable. When the NRA first announced the deadline last year, only 42,576 private houses had been completed. That figure shot up to 196,149 this July — a four-fold increase in just one year. The NRA and the government can boast that they are meeting targets, but the figures hide the fact that a significant number of the new houses are small, one-room makeshift structures.⁷ The deadline was later extended to April 2018 and again to July 2018.

According to Community Perception Report produced by Common Feedback Project in (May 2018), 'over one-third of earthquake-affected families rebuilt houses to meet the NRA's July deadline. Half of these are one-room houses are nothing more than sheds. Another 12% said they quickly rebuilt small houses fearing that they would be black-listed if they missed the deadline. Only 6% of families said they rebuilt homes after managing enough money from sources other than the NRA'.⁸

The capability of households to undertake housing reconstruction, as shown in the

⁵In an interview with female beneficiary in Dolakha, shared her experience as 'I lost my husband in the disaster. I am alone to look after my household chores. I am unable to manage time to follow NRA officials and engineers. This has delayed the reconstruction of my house'

⁶A beneficiary in Ramechhap cited the delay of reconstruction as 'It took several months for us to decide how to start reconstruction. We were three brothers living together in a house. The NRA gave a model of two rooms housing which increased our problem to find appropriate land to build three different houses.'

⁷<https://www.nepalitimes.com/here-now/building-homes-on-a-deadline/>, accessed on 10 June 2018

⁸http://www.cfp.org.np/uploads/documents/Reconstruction_FSL_Protection_May2018-July-9-2018-15-55-14.pdf, accessed on 15 June 2018

above examples, might be impeded by factors such as economic conditions and holding marginal assets, age, injuries or death of the head of the household, and inheritance problems. These examples illustrate that in contrast to the assumption of the 'owner-driven model' of equality based approach, in reality, the housing inequality has been apparent.

c) Concerns about the quality of rebuilt houses

There is a common concern related to the quality and physical vulnerability of the reconstructed houses. The housing reconstruction was predominantly executed by the local contractors and skilled labours hired by the homeowners. Along with supervising the process of construction, engineers appointed by the government also had the responsibility of ensuring conformity of the construction with the earthquake resilient housing code at each stage and issuing permit for disbursement of the next instalment of the grant to the owners.

Although several programmes of training skilled labours, masons and contractors were carried out, widespread concerns remain over the physical quality of the rebuilt houses. It is true that after the earthquake, people became very conscious about adopting safety measures in the construction of their houses. However, this concern lost its priority to the economic hardship. Consequently, some low-income groups returned to

their pre-earthquake unsafe construction practices.

In the early stage when very few people had started building houses, it was relatively easy to find both labourers and construction materials, locally. As reconstruction took pace, finding trained labourers and construction materials became a major bottleneck due to a sudden increase in demand, especially in a society rife with labour deficit due to foreign migration. In areas where people were unable to manage labour locally either by helping each-other (*parma*) or hiring local labourers, they outsourced reconstruction work to the contractors. A single contractor took responsibility of building several houses at once which required a large number of labourers. To meet the demand, contractors hired large groups of untrained labourers mostly from Terai districts⁹. Infrequent monitoring by the engineers, a large volume of contracts of a single contractor and shortage and difficulty in transportation of construction materials impeded the reconstruction process.

⁹During the field visit in Dolakha, Sindhupalchowk, and Ramechhap, the study team inquired the contractors, labourers, and beneficiaries about the availability of labourers and construction materials. The contractors disclosed that most of the labourers they hired were from Terai districts and not all were trained on earthquake resistance building codes. They learned from other fellow labourers. People also complained that as they could not manage to build a house by themselves and meet the deadlines to receive assistance, they contracted out the construction work. They also said that it would be difficult for them to collect construction materials had they did it themselves. It would have also increased cost and time.

7 ROLE OF LOCAL GOVERNMENT

7.1 New Roles and Responsibilities of Local Governments

The roles and responsibility of the local governments have been enumerated in the constitution. Specifically, schedule 8 of the constitution lists powers and jurisdiction of the local level government, which has been given unprecedented autonomous responsibilities and authority ranging from security and policing, to disaster risk management and environmental conservation. Recently passed act on Disaster Risk Reduction and Management (DRRMA) 2017 elaborated those powers and jurisdictions. The DRRMA has assigned a number of roles and responsibilities to the District Disaster Management Committee (DDMC) and Local Disaster Management Committee (LDMC). The DDMC is an extended arm of federal government that is expected to function in coordination with the local governments. Led by the Chief District Officer, the DDMC is the continuity of district-level disaster management unit of the erstwhile system. The DDMC is mainly mandated for post-disaster relief and mitigation activities, which largely misses out on preparedness and prevention activities. The DDMC functions as an intermediary between central level and local level agencies.

The LDMC is expected to function in congruence with the federal and provincial disaster management policy. The DRRMA is criticized for not fully recognizing roles and responsibilities of the sub-national governments even-though the Act was promulgated following the new constitution. The major responsibilities assigned to LDMC are to:

- a) Formulation and implementation of the local disaster management plan to ensure uniformity among different national policy and plan that are federal and sector-wide approved by council, executive committee, and provincial disaster management committee;
- b) Ensure budget allocation for disaster management in local level;
- c) Coordinate between and among government private agencies, NGOs, local volunteers, social mobilizers, as well as all other related supporters;
- d) Provision of training related to disaster management to local level officials, personnel, volunteers, social mobilizers and community people;

- e) Ensure compliance of new infrastructure with the building code and other approved directive and criteria.;
- f) Form 'Disaster Preparedness and Response Committee' at the community or ward level to raise awareness on a disaster, formulate disaster-related plan and programs and mobilize people for post-disaster response;
- g) Conduct mock drill exercise for disaster response;
- h) Manage rescue and relief activities in the disaster-affected areas;
- i) Assess the public and business enterprises' activities related to disaster management in accordance with the act;
- j) Develop and execute local level disaster management information system and early-warning system;
- k) Establish and operationalize local level emergency operation centre;
- l) Record and update specific statistics of lost, destroyed or damaged documents during the disaster;
- m) Identify disaster-affected families and rank them according to the severity of damage and provide identity card;
- n) Prepare fire brigade and other equipment to be readily used during the disaster;
- o) Conduct activities related to disaster management in accordance with the decisions made by the executive committee, the provincial disaster management committee, and district disaster management committee;
- p) Execute other activities related to disaster management as directed.

In addition, the recent 'Local Government Operation Act (LGOA) 2017' has enumerated following roles and responsibilities of local governments in disaster risk management. The LGOA is first comprehensive Act to institutionalize the authority of local governments following the new Constitution on 20 September 2015. However, it is yet to see how functional local government will deliver these constitutional mandates.

Table 2: Disaster risk management responsibilities to local government based on LGOA

Reference	Area	Provisions
Section-3, No. 11-2-Ka-2-Ja	Mobilizing resources	Mobilizing local police force in disaster management
Section-3, No. 11-2-Ka-2-Cha	Housing code	Regulating and issuing housing permission based on National Housing Code
Section-3, No. 11-2-Ka-2-Da	Land registration and management	Land registration and transfer; land delineation/plotting; issuance of land ownership certificate; land tax collection etc.
Section-3, No. 11-2-Ka-2-Dha	Infrastructure	Embanking local rivers; taking measure to prevent landslides and floods
Section-3, No. 11-2-Ka-2-Na	Disaster management	<ul style="list-style-type: none"> ● Implementing and monitoring of local policies, plans and programmes, standards for disaster management ● Taking preventive measures and ensure preparedness for disaster prevention ● Preparing for relief and rescue efforts pre-emptively; storage and distribution equipment and food supplies ● Mapping of disaster risk areas, identification of disaster risk-prone locale and relocation needs ● Cooperating and coordinating with federal and state governments, non-government organization, private sector for disaster management ● Establishing and managing disaster management fund; mobilizing other resources ● Devising, implementing and regulating disaster risk reduction programmes ● Conducting local level relief, rescue and reconstruction activities; relocating the affected ● Collecting and managing data; conducting research and study related to local disasters. ● Enabling local emergency response operations

Section-3, No. 11-2-Ka-5-Ka	Land policy	<ul style="list-style-type: none"> ● Devising and implementing land-use policy, plan, programmes within the framework provided by federal and state governments ● Devising and implementing planned urbanization and city development plan and programmes, land adjustment and land-pooling programmes under the guidelines/code of federal and state governments ● Managing unplanned urbanization at the local level
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As the local governments are gradually taking position, the NRA is preparing to delegate more functions to local governments mainly the facilitation work like coordination among construction workers, making construction materials available, monitoring reconstruction work, monitoring NGOs and deploying focal person to look after the reconstruction work¹. The role of local governments is not only to facilitate the fund disbursement but at a larger level, to motivate and encourage people to practice safer housing.

Being the first responder to people's problems, the local governments can play instrumental roles in building a resilient society. Actors in local governments need to understand disaster risk reduction and management is not just an administrative issue, it demands technical knowledge as well. Therefore, the capacity building

events for local actors should be prioritized for efficient disaster governance system.

7.2 Grievance Redressal

Handling beneficiaries' grievances are one of the most important roles that local governments are expected to play in the reconstruction process. There are several categories of grievances- some are within the existing jurisdiction of the local governments while others need coordination with other government agencies. In addition, NRA decided to establish committees at different levels to hear and manage grievances of people about the reconstruction of both, physical infrastructure such as private houses, and efforts on economic and social rehabilitation. As per the Reconstruction and Rehabilitation Related Grievance Management Guidelines, 2073, there is provision for four-tier grievance hearing and management committee – Grievance Management Committee at

¹From the presentation of Deputy Spoke-person of NRA for Development Assistance Coordination and Facilitation Committee, in 7th meeting on 16^{April} 2018.

VDC/municipality/ward level, Grievance Hearing Committee at district level, NRA's Sub-Regional Offices and Central Grievance Hearing Committee².

Grievances related to baseline information:

This relates to the information collected initially which formed the baseline for all reconstruction related works. Such grievances include, for instance, people's name omitted in the list and incorrect grading of property damage. These require intervention by the NRA on the central level. The other agencies merely forward the request to the NRA. The proposed resurvey by the NRA is also the result of the accumulation of similar grievances.

Grievance related to land titling: Yet another major complaint received by the local authorities is related to land titling. This type also forms a bulk of grievance that local authorities receive. Major land titling issues are as follows:

- **Joint-ownership of land:** This occurs when there is a dual ownership of land by both land-lord and tenant (Mohi and Talsing). The biggest challenge is on rebuilding a house on a plot with dual ownership as any construction on such plot by a tenant who used to house there, by law, requires a consent of the landowner. The process becomes lengthy and difficult if

the landowner is not always willing to provide the necessary consent.

- **No-ownership of land:** People may be living in a plot of land for, generation after generation, without legal land ownership documents. These people have no legal rights over the land, other than the customary/traditional claim. However, without a land ownership document, the government does not recognize such arrangement for housing reconstruction. Hence, the people could not get the housing aid despite being the victim of the earthquake.
- **Joint-family:** The family living in the same house at the time of earthquake are found to be claiming the aid money separately. However, the NRA provides compensation/aid for building only one house. It took nearly three years for the NRA to recognize this prevalent Nepali customary practice.
- **Others:** A significant number of grievances are related to minor issues like name or date of birth being different in contract document or bank account, the

²Reconstruction and Rehabilitation Related Grievance Management Guidelines, 2073

house being damaged further while retrofitting etc. While many of these grievances are resolved at the local government or DCC level, some may see their way up to NRA or CLPIU. Most of these issues are redressed at a different level of a hierarchy, from ward to municipalities to DCC and even up to the NRA. Yet nearly 13 per cent of the cases are pending for review and decision.

7.3 Access to finance

Access to reconstruction finance is another crucial aspect of the process that the local government can facilitate. Currently, a large share of private house rebuilding is being financed by private capital of the beneficiaries while NRA funding works as a top-up. The 'gap between cost-augmenting regulatory requirements and limited access to financing'³ has been a discouraging factor for people's inclination to reconstruction. Although the NRA has made arrangements with the bank and financial institutions (BFIs) to provide loans at concessionary terms, beneficiaries have not been able to access such financing option for varying reasons. Foremost was the lack of proper documentation like house ownership certificate and more importantly, proof of income of the beneficiary. Bank and

Financial Institutions (BFIs) are mandated to lend money to property owners only. Lack of ownership certificate, for reason discussed above, would automatically prevent certain people from borrowing money. However, ownership is necessary but not sufficient conditions to access bank loan. Next, they have to prove that they have sufficient income to pay back the loan. Many of the house owners would not have regular fixed income as needed because they are either under-employed or employed seasonally or in the informal sector. Hence, lack of proof of income means BFIs are not interested to execute this scheme because they find such arrangement financially risky which bars beneficiaries from accessing financing for reconstruction⁴.

Further, many beneficiaries find it difficult to follow the housing code set-out by the Government, yet other criteria for BFIs to lend housing loans. This is because following earthquake resilient housing code often increases the cost of construction as it requires expert services and supervision; skilled masons and increased number of construction material not available locally. In such case, local governments can intervene to ease the access to finance. One way, although not explicitly mentioned in the 'Procedure for providing an interest-free loan for

³<http://kathmandupost.ekantipur.com/news/2018-03-06/step-on-it.html>, accessed on 20 April 2018

⁴<https://www.spotlightnepal.com/2018/01/07/earthquake-reconstruction-loan-delayed-loan-denied/> accessed on 20 March 2018

construction of the house of earthquake affected people in collective guarantee 2017⁵, is to become a guarantor for a loan on behalf of the beneficiaries. Local governments can also provide an exemption, to an acceptable level, to the building code and can issue a certificate so that they can access a loan.

7.4 Regulation

The other potential area where the local government can have a prominent role in expediting the reconstruction process is regulation regarding resilient housing code which involves developing the capacity of local governments for technical monitoring to enforce such code. These regulatory functions are important because rebuilding resilient houses is one of the priorities set by the government and is also the key requirement for receiving housing aid. As the local governments are allowed to hire technical staff on temporary contract, they

can mobilize these staff for supervision of the reconstruction work. Alternatively, the NRA can assign the local governments for managing technical personnel, making them fully accountable towards the local governments. At present, the local governments have noticed incompatibility between the housing code and the level of technical staff deployed. They argue that the housing codes are not so stringent that requires higher level technical staff (engineer) to monitor and verify. Mayor of Dolakha criticised the NRA's decision to deploy higher level technical staff (engineer) to monitor private house reconstruction. He said, 'since the building design does not have any critical engineering requirements, monitoring by engineers is not justified. Instead, it has created hassles for the public as they have to wait for engineers to inspect their houses for approval. It is hard to retain engineers in the villages. The inspection could be done by junior technical staff which the local governments can manage.'⁶

⁵http://nra.gov.np/resources/details/SVp1-n6vhNfD1zwf0TgPVom-mkMU0_aIU6Tv9K2kNQ, accessed on 15 May 2018

⁶From the interview with Mayor of Bhimeswor Municipality.

8 STRATEGIC AREA OF INTERVENTION

The 2015 earthquake was an enormous tragedy for Nepal, a country that was struggling to put functional governance system in place. On the other hand, it became a learning opportunity for the state machinery to assess and upscale its capacity to manage potential catastrophes in the future. The Gorkha earthquake shook the nation when political parties were struggling to settle political negotiations and bring the country back to the much-awaited peace process and reinstate democratic institutions. With much doubt on its capacity, the state used all its strength to deal with rescue and relief of the victims in an appreciating way. However, the recovery process went through several ups and downs, aggravated by the political transition, leaving rooms for improvements.

This study recognizes the premise that, 'natural disasters are not natural'. In fact, disasters are political in nature and political action of state actors determines the outcome of the natural shock. The existing socio-economic structure often perpetuates or even worsens the pre-existing vulnerabilities of the disaster victims. Disaster occurs at the interface of nature, society, and politics. The conditions in the aftermath of any disasters are just a manifestation of a society's failure to adapt to the natural and socially-constructed environments.

The usual conceptualization of building back communities to their pre-disaster stage could perpetuate the vulnerable conditions that caused the disaster and exacerbate marginalization and inequalities during the recovery process. We should acknowledge that individuals experience recovery at different rates and bear different outcomes.

Thus, recovery can be defined as the differential process of restoring, rebuilding, and reshaping the physical, social, economic, and natural environment. The differential aspect refers to unequal social and economic access to resources that influences recovery outcomes. From this perspective, the disbursement of financial resources may be a differential process. The distributive and procedural justice framework suggests that injustice stems from a fundamental lack of 'distributional and procedural equity' (Vermont & Tornblom, 2016), which have been depriving groups within society to mobilise themselves, become empowered, and get themselves recognised as the principal agents to determine their own sustainable futures.

The presence sub-national government at the local level is both the cause and an opportunity for political socialization and mobilization at the local level. It presents an environment for political solidarity,

activism, new development agenda and forming new power relations. Similarly, the reconstruction process has created a political space for new local governments to take hold of major roles in aid and assistance distribution, thereby, enabling the exercise of economic power potentially leading to the exertion of political power. They can garner public appreciation and media attention by facilitating timely completion of the reconstruction process, which could mean challenging the central political and bureaucratic hegemony prevalent in the process.

The emergence of local governments, with new mandates and autonomy, will have an impact on the existing political and economic process of subnational governance. The local governments with constitutionally guaranteed mandates to govern at the community level shall act as the inner layer of governance and engage with the community, while the provincial and federal governments shall act as an outer layer. Being the first interaction point of the citizen with the state machinery, the institutional capacity of local governments makes difference in the quality of disaster governance. For expediting reconstruction and preparing towards resilient society by increasing role of local governments, following strategic interventions are identified.

Strategic intervention 1: Assess and develop disaster risk management capacity

The local governments are unable to define their work priority and make a plan to support the reconstruction activities. The local governments, being in a functional conundrum, are struggling to find ways to exert their constitutional authorities. As of now, neither are there any concrete plans from the NRA or the federal government to develop the capacity of the local governments nor is there a clear and tangible framework on how local governments can be engaged in the reconstruction process. However, in order to functionalize the role of the local government, as provisioned by the constitution and subsequent acts, on disaster risk management, it is imperative to develop both structural and technical capacity of the local governments. The local governments should consider disaster risk management both as their major function in disaster-prone communities and also as an opportunity to remain connected to people. A dedicated and equipped unit in local government would be important to oversee all aspects of disaster risk management. As Nepal lies in a disaster-prone zone, local governments should be equipped with knowledge on disaster preparedness and mitigation. The local governments have allocated some budget in disaster relief fund but as they do not have any dedicated unit and guidelines, they are unable to use it. Hence, supporting the local governments to form a dedicated

unit to deal throughout the disaster risk management cycle including structure to record disaster-related information is deemed essential¹. Another part of capacity enhancement is associated with technical ability of the local government officials. Technical ability includes knowledge about constitutional and legal instruments, ability to translate them into policy, programme and activities, ability to

manage resources judiciously, vulnerability mapping and making plans for resilience, enforcing regulations, ability to motivate and encourage people for resiliency, among others. Local governments require staff with the ability to understand and cope with the dynamics of disaster. Hence, it is required to develop their capacity through training and knowledge sharing to deal with disaster as the first responder to the people.

Key intervention areas

- Constitute LDMC and assign the responsibility of overseeing reconstruction activities to the local level
- Establish a dedicated disaster management unit at the local government
- Make disaster management unit of local government as the secretariat of LDMC and equip them with essential technical, financial and human resources
- Place technical staff under the authority of the local government to be mobilized as per the need
- Train elected officials and staff on aspects of disaster risk management including policy making and implementation
- Conduct vulnerability assessment and prepare a comprehensive local disaster management plan
- Constitute Disaster Preparedness and Response Committee (DPRC) at ward level in the chairmanship of Ward-chairperson and provide technical and financial support with authority to oversee reconstruction activities at ward level
- Assign DPRC to, mobilize the community and other organizations for practicing safer housing, mitigating local constraints of construction materials, labourers, technical audit, liaison with local governments and district office of NRA
- Make coordination role of District Coordination Committee functional by making it secretariat of District Disaster Management Committee.

¹In the organization structure of local government approved by the federal government, a section 'Infrastructure Development and Environment Management' has been constituted. Under this section a unit 'Environment, Sanitation and Disaster Management' has been placed. This is said to be transitional. The local governments based on their needs through Organization and Management Survey can readjust this structure.

Strategic intervention 2: Strengthen institutional memory and mitigate local conflict

The NRA is a temporary structure established to facilitate the post-disaster reconstruction process. A big question is: where is the learning that came from this huge investment recorded? How will the learning be sustained and transferred to the local governments? As the reconstruction process has not been completed yet, the NRA should also plan to institutionalize the learning at the local level. The NRA can curtail its present role and limit it to regulation, coordination, fund assurance, inspection of reconstruction, especially the large infrastructure. On the other side, the local governments can be entrusted with the implementation role including managing of technical staff, fund disbursement, keeping records and other field level activity. However, a plan is required to develop technical and human resource capacity of local government to enable them to perform as per their responsibilities. The local governments' capacity to manage the local database of reconstruction should be strengthened by installing a disaster information system in the disaster management unit.

With state resources stretched out and the social fabric tattered in the aftermath of a disaster, the need for effective and timely methods of conflict mitigation and dispute resolution is paramount, particularly

at the local level where post-disaster assistance is expected to be lacking adding to people's social vulnerability. Timely mitigation and conflict management is crucial for sustainable recovery beyond immediate disaster response.

As a post-conflict society, Nepalese communities are susceptible to inter communal disputes if community conflict dynamics is unaccounted during the relief and recovery processes. For instances, the exclusion of marginalised groups may be compounded if aid isn't sensitive to caste, ethnicity, religion and gender. And any politicisation of aid could act as incendiary within a community. Therefore, appropriate mechanisms need to be designed to mitigate and manage conflicts at the local level – to prevent escalation into larger conflict. NRA and local government need to work hand in hand to make the process of conflict management more inclusive, transparent and cognizant of the structural inequalities persistent in Nepali society. It will require simultaneously, preventing, resolving, and containing conflict, as well as aiding to trauma recovery.

This framework can be further consolidated by creating synergy among larger service providers such as shelter homes, psycho social counselling centres, human rights watch groups, town police etc. ensuring access to holistic justice services for local **communities**.

Key intervention areas

- Install disaster information management system in local governments to keep records of disaster events and the beneficiaries reached
- Train the local government and delegate the roles of record keeping an inventory of fund disbursement, application collection, verification, grievances settlement and building completion
- Document and share learning from post-earthquake reconstruction to the local governments including DDMC and LDMC
- Organize periodic learning workshop among the members of DDMC and LDMC within and between districts
- Establish accessible arenas for mitigating and managing conflict
- Design a process that is inclusive, transparent and cognizant of structural inequalities
- Develop a collaborative framework among larger service providers to ensure the holistic needs of survivors are met and access to holistic justice service is guaranteed

As representatives of the community and first point of contact, local elected representatives have a key role to play in managing local conflicts that emerge in the aftermath of disasters. If executed diligently, this has the potential to bridge gaps in trust, maintain social harmony and re-assert political credibility for emerging leaders especially as they navigate the complexities of transition to federalism.

Strategic intervention 3: Strengthening communication

A smooth and timely flow of information across NRA's partner agencies—i.e. ministries—and vertically to local-government has been a major impediment to the reconstruction process. As mentioned earlier, local

governments do not have access to the information database of the NRA and their communication gap continue to exist between agencies and beneficiaries. For example, although the NRA offered more than 15 models of private houses, in most of the disaster affected areas two-room houses are constructed owing to the misunderstanding of the housing codes. People say these houses do not solve their housing requirement for a family of at least five members. There is a risk that after receiving the final tranche of aid, people will modify the house to accommodate their requirements. This is likely to increase their vulnerability. The NRA and other agencies should support local governments to increase vigilance and improve communication with communities and encourage people

to apply disaster resilient behaviours. The local governments can mobilize local ward-chair and members, other local organizations, schools, and media to sensitize people on safe housing practices.

A post-reconstruction utility survey among the beneficiaries would provide evidence to the local governments and NRA to apply appropriate measures to sustain the investment in reconstruction.

Key intervention areas

- Mobilize DPRC to, inform communities about the local disaster risk management plan, increase awareness of disaster resilient society, and monitoring of the implementation of disaster risk management plan
- Conduct post-reconstruction utility survey of the private household to learn people's practices of safer housing, take corrective measures for any erroneous practices and apply measures for proper utilization of private housing
- Regularly communicate with people through local media and other means for making people aware of safer housing practices
- Develop an emergency communication system to provide instant information to people in case of emergency
- Prepare information, education and communication materials to increase public awareness
- Establish information centre in each ward office for providing complete information on the process of reconstruction, document verification, fund disbursement and other aspects of disaster risk management

Strategic intervention 4: Institution building

Success in managing disaster depends on the institutional strengths of the local government. Several institutions, without proper coordination and institutional accountability, are working in disaster risk management. Some initiatives like the cluster approach, post-disaster response framework, the Disaster Risk Reduction and Management Act, and other related instruments have been instrumental to strengthen the institutional arrangement. Following the Gorkha earthquake, an

awareness to consider disaster from a holistic approach and investment on institution building for disaster risk management have been improved among the policymakers and other stakeholders. However, a tendency of being reactive to the disaster events, rather than investing in preparedness, has a residual effect on the effectiveness of disaster risk management. At central level Ministry of Home Affairs (MoHA) is mainly responsible for dealing with disaster until the National Disaster Risk Reduction and Management Authority is formed as provisioned by the

Disaster Risk Reduction and Management Act 2017. The District Administration Office (DAO) was a powerful organization at subnational level to work on disaster risk management in the erstwhile system and supposed to have continued role in the new system as well. There looms a potential role confusion as no clear framework has been defined on how the DAO shall work with the local governments. The District Coordination Committee formed to facilitate reconstruction by bringing different stakeholders together

needs restructuring to include the local governments. The local governments should be supported and encouraged to play a role of the first responder as well as the regulator at the local level by enforcing disaster risk management laws and rules including building codes, safer housing, and relocation plan. Similarly, the federal and provincial governments should work at the higher order and support the local governments by devolving adequate technical, financial and human resource.

Key intervention areas

- Strengthen disaster relief fund at the local level and prepare a standard operating procedure for mobilization of the fund
- Strengthen the regulatory capacity of the local government by increasing number and capacity of the technical staff and introducing regulatory framework on building codes and infrastructure development
- Prepare and enforce local disaster risk management policy and act
- Mobilize technical staff and other stakeholders through LDMC and DPRC
- Introduce policy of planned development by discouraging haphazard planning activities, particularly the construction of unplanned road and settlement
- Engage local organizations working in disaster risk management in the implementation of disaster risk management plan

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Annex 1: Local governments visited

1. Bhimeshwor Municipality, Dolakha
2. Kalinchowk Rural Municipality, Dolakha
3. Sailung Rural Municipality, Dolakha
4. Melung Rural Municipality, Dolakha
5. Tamakoshi Rural Municipality, Dolakha
6. Jiri Municipality, Dolakha
7. Chautara Sangachowk Gadi Municipality, Sindhupalchwok
8. Balefi Rural Municipality, Sindhupalchwok
9. Helambu Rural Municipality, Sindhupalchwok
10. Melamchi Municipality, Sindhupalchwok
11. Indrawati Rural Municipality, Sindhupalchowk
12. Doramba Rural Municipality, Ramechhap
13. Sunapati Rural Municipality, Ramechhap
14. Khadadevi Rural Municipality, Ramechhap
15. Likhu Tamakoshi Rural Municipality, Ramechhap