

स्थानीय सरकार सबलीकरण



The Asia Foundation

The Australian Government - The Asia Foundation Partnership in Nepal

Policy Dialogue on the Role of Local Government in Reconstruction

(1 February 2019)

A Policy Dialogue on the Role of Local Government in Reconstruction was held on 1 February 2019 at Hotel Shangri-La, Kathmandu. The dialogue was attended by experts on local governance, the National Reconstruction Authority officials, constitutional and legal experts, donor representatives, civil society members, and stakeholders in subnational governance.

The objective of the policy dialogue was to analyze the local government's role in the reconstruction process through the political economy analysis of the post-earthquake reconstruction in Nepal. The discussion was led by Mr. Trilochan Pokhrel and Mr. Mohan Das Manandhar, members of the research team for the report-- 'Political Economy Analysis of Post-Earthquake Reconstruction in Nepal', and was moderated by Mr. Punya Neupane, Executive Director of Nepal Administrative Staff College. Mr. Sushil Gyewali, Chief Executive Officer (CEO) of the National Reconstruction Authority (NRA), provided his inputs to the report and delivered his speech on the progress made by the NRA on the reconstruction process so far.

Political Economy Analysis of Post-Earthquake Reconstruction in Nepal: An Assessment of Emerging Role of Local Governments

Mr. Trilochan Pokhrel shared the research findings of the report 'Political Economy Analysis of Post-Earthquake Reconstruction in Nepal: An assessment of Emerging Role of Local governments'.

Premises:

- The study is limited to identifying emerging issues on post-earthquake reconstruction that the local governments experienced in the last one year i.e up to April 2018 after they assumed office following the election on 15 May 2017.
- The analysis is based on the perspectives of the local governments and citizen. It has not touched upon the NRA's perspective but this document can be made a comprehensive document after incorporating the NRA's perspectives.
- This study has not used any statistics like number of houses that have been reconstructed and none of the other data is used. Specific cases have been used to make the references.
- This report has followed political economic framework.
- The research team's understanding is that natural disasters are not only natural but there are other factors and actors that might have caused them.
- We have to use the pre-disaster premises and it is very important to assess what we have institutionally, previous lessons, preparedness and how well prepared are we. It is

important to do a comparative analysis because some of the events are related to this and we need to look at it in order to get a complete picture.

- We cannot leave aside political maneuvering which has an impact on it as well. So, it is important to analyze the situation to get a complete picture.
- We have to use credibility of the public institutions as a premise as well. It has both positive and negative aspects.
- We need to look into the absence of legitimate local authority and that perspective has to be covered.
- In pre-disaster context, we have to consider structural prejudice as well.
- Besides that, it is important to look into the differences between the political parties and the bureaucratic system so as to get a clear picture.
- There has been a massive structural shift and we have to look into the issue from various dimensions.

Gaps: The study has identified five gaps:

1) Understanding of citizens' need

- Society and the family structures have been changing and more and more families are going nuclear. Also, there is an issue of migration and a growing gap in understanding this information.

There is a gap on finding the answers to what do people want from this process, how was the need of the citizens' articulated, how the voice of the citizens were addressed and how was the feedback incorporated into the system? How much have we been able to include the citizens' heterogeneity in our design process? There was a difference between citizens' and state's perceptive on the reconstruction and this was manifested into the design..From this gap, there were some changes in the policies and the structure and it all came through the understanding of citizens' need.

2) Designs of reconstruction process

- Understanding of citizen's need had some impact on the developing the specification of the service package. This resulted in different kinds of cost ceiling and various amendments to service packages. This made an impact in the procedural aspects. There was a gap on how would we go about while transforming into the resilient society. There was a gap between the procedural aspects and the ways to adjust them into developing a resilient society. There were so many actors and international actions involved in the negotiations and we tried to look into that. How the negotiations were being done both at the central level as well as at the community level. Another debate was, whether it was a relief package or an effort to make it a resilient society and how was the road map?
- Another problem was devolution of authority. We wanted to transfer the functions to the local level but were we able to develop the capacity and were we able to deploy human resources as per the need or not? We saw the gap of devolving capacity during our research. There was a gap in the designing phase of the reconstruction as well.

3) Delivery of reconstruction services

- We saw gaps on how much have we been able to deliver services for reconstruction and how much we have been able to make our institutional arrangements efficient and transparency.
- It was a little bit difficult to identify whether it was trust or mistrust between the local and federal governments and also between chiefs of rural municipalities and ward. This had direct impact on the mobilization of the technicians and on the overall service delivery.
- There was another problem regarding the ownership. Some even termed these houses as the NRA's houses.
- Lack of functional coordination between various mechanisms was another problem.
- How much we have been able to make our technicians and local governments accountable while performing their responsibility?
- There were lack of human resources but I think this might have been resolved by now.

4) Communication Gap

- Multiple actors and multiple communication channels were using various communication tools in their own way. We have used the owner-driven reconstruction process but citizens did not find any choices. It might be the result of involvement of multiple actors and multiple communication channels.
- We found 'word of mouth' as a strong communication means and it had a huge impact while reconstructing houses and a faulty process could have been applied in the entire community.
- We saw political maneuvering even at ward and community level especially while recommending beneficiaries and addressing grievances.
- We found out that everybody used theory of convenience. Rather than providing the correct information, we found out that they were delivering information as per the convenience. Public too also believed and followed that theory of convenience.

5) Received services

- How did citizens react to the available services as, there was a huge gap between their expectations and the services provided and there were many reactions on it. Whose problem was it? Has it been solved? There is a big debate on whose problems were solved - either the State's or citizens' need. What are the lessons we have learnt from these problems? Debate has to be continued.

Strategic Interventions:

We have identified four major strategic interventions to address these gaps. These suggestions to some extent might be able to provide some support.

1) Assess and develop disaster risk management capacity of local governments

Since Constitution too has recognized the local governments as major actors for disaster risk management, it is very important to assess the capacity and also to develop their capacity. In order to functionalize the role of the local governments, it is imperative to develop both their structural and technical capacity.

2) Strengthening institutional memory

The NRA is a temporary structure formed by the sunset policy to facilitate the post-disaster reconstruction process and it has just two more years left. The biggest question is where can we host our institutional memory and how will the learnings be transferred to the local governments. It is important to host the lessons learned so far and figure out how we can build on that experience in future, without reinventing the wheel if faced with same circumstances. 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. This can be another area of intervention.

3) **Strengthening communication**

It is very important to strengthen communication channels. Even though, 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. We found out that there was a high risk that citizens might modify immediately after receiving final tranche of aid since they have been complaining that these houses do not solve their housing requirements for a family of at least five members. How do we act on that? That has to be addressed. How are we going to strengthen our communication channels?

4) **Institution building**

Institution building does not only mean only local government but institution building of lot of actors-from community to national level so that the remaining task of reconstruction will be completed and be able to manage similar kinds of processes in future.

Mr. Mohan Das Manandhar, research team member-

We used different perspectives to conduct this research.

Welfare idea

While conducting political economy analysis, we used 'welfare idea' which came from political interest. Local political parties and even federal government moves on 'welfare idea' but it might not address equity. And there is a need for a capacity assessment. It might be easy to give money to everybody - that is 'welfarism' ideas. 'Welfarism' means everybody should get the money. But, most vulnerable and people from poor community who were badly affected by earthquake might need it more.

Incentive

Another perspective we used for political economy dimension was incentive. We tried to find out where the incentive was - not only on renting, resource allocation but also where the government had put its obligation in state structure. How did it incentivize the agency for its operations?

Formal and informal institutes

Besides that, we tried to look at the relationship between the various levels of governments. The informal institutes had this feeling that it was a centralized mindset

and they did not own it. Even though Constitution was already promulgated and it mentions of Nepal being a sovereign state, Constitution was not implemented when this study was conducted. So, we based our research on the Interim Constitution.

Procedural justice:

Another thing we looked at it from distributive justice or procedural justice. We wanted to find out the injustice. If we look at data, 41% Tamang were either dead and above more than 40 % excluded group were affected by the earthquake.

Problematic design assessment

If we look at that from technical aspect, the walls of the majority of houses collapsed as they were made of stones and vulnerability ends at social and economic dimensions. Those who are poor are weaker, and they are the ones who are most affected. So, how will this affect the procedural aspect for such people? The problem started from the preparation of the card - for example, it did not address the problem of the landless people, households headed by women and people from Dalit and excluded groups who had problems in accessing and understanding the information provided. There was a problem with the assessment of design.

Problematic distribution process

Even in the case of distribution, they faced problems. Their access to resources too was problematic. The distribution process was prepared with centralized mentality. There are plenty of social complexities and how to address the problem. Those who were affected were not in the decision-making level, and they did not have any say in the process to design the distribution mechanism. They did not know what to do. The structure we made was prepared on centralized mentality. We have plenty of case studies which have not addressed these bottlenecks.

Federalism:

After federal system was adopted, we tried to find out how the elected local governments helped to simplify the process as the elected representatives would definitely take it up seriously.

The local governments still have not taken the ownership of the reconstruction process. Even today, in most of the cases, the local governments have raised grievances and negotiated with the NRA. It might be because they did not have formal authority to act. But now that they have been given the authority, we have to see how they will perform. The local governments' first priority was to check whether the grievances of the people were heard by the NRA or not. It is interesting to see the positioning taken by local governments on this

Besides that, the failure to take up the ownership could be that they lack experience or could be due to complexity. They did not have service delivery mechanism and there might be a problem in the process like who would be the signatory? At the local level, people from the marginalized and Dalit community, who were badly affected during the earthquake, are still not included in the disaster planning process. How to solve that?

The local governments need to change their mindset and should take up the ownership. This study is based on private households and it shows that the local governments'

distribution of fund is based simply on political interests and how to frame it is more important.

Mr. Sushil Gyewali, CEO, NRA

I am hopeful that this study will help us move ahead and address issues further through policy interventions. As per the premises, the study is done till April 2018. There are major limitations and if you can finalize it after incorporating the NRA's perspective, then it will be an important document. Since this study is based on analysis and cases and if you can explain those, then it will further enrich the study.

Refuting claims on problems in designing policies

- When it comes to the problems in designing the policies of the reconstruction, then I do not agree that claim at all. But what I want to say is that this is the first time our generation had faced reconstruction task and I agree that our policy framework might not have been able to address all the problems at one go. We have faced the challenges and addressed them as we moved forward. We also did not have much experience on disaster management. We lacked institutional structure on disaster management and we started from the scratch and there were plenty of challenges. But what is important is whether the policy was result-oriented or not. If we look at the result in addressing the issues of poor and marginalized communities as a state's responsibility, then we have been successful. Locally represented parliamentarians and the development partners have appreciated that Nepal's reconstruction process has taken a right direction.
- There are issues, grievances and problems but this kind of result would not have been possible if the policy framework had been in the wrong direction. So, I think we should not reach to a conclusion that we used a centralized approach while designing the policies whereas we took people-centric approach to design the policies and made changes accordingly along the way.
- However, there were some departures in between. For example, we initially announced to provide Rs. 200,000 as the private housing grant, as we were not very clear whether we will receive the pledged amount from the development partners or not. But later, we increased it to Rs. 300,000. For example, we took decision for landless people, community relocation, and later we addressed other legal hassles as well. We had to take such steps because there was lack of information in totality. We were not in a position to access scope and scale of financial liability to the government. We tried to address the problem through people-centric approach. If this report provides us examples or cases where we failed to address the problem through people-centric approach, then we might be able to address it since we still have time.

Distribution of relief or resilient approach

- During my first term in the NRA, there was a political pressure to distribute relief package of Rs. 300,000 through helicopters to the people. The parliament remained closed for 3-4 days on this issue of whether to provide immediate relief or to provide relief in tranches. At that time, the NRA took a position. The NRA leadership took a position that the NRA

wants to provide support but it should also ensure that the houses are built in earthquake-resilient manner.

- I still remember going to the parliamentary committees and parliamentary party offices to convince our leaders on the distribution modality of relief package. We were successful in convincing our political parties and we formed a policy framework to distribute relief packages in three tranches. Recently, the World Bank's third party monitoring framework too has shown that there is only 2 % non-compliance housing situation. Hence, this shows that there is no gap in policy framework. The report can, however, suggest that despite different political interests, the NRA's policy framework was successful in bringing the process in the resilient track mechanism.

Service delivery mechanism

- Regarding the question of whether the delivery mechanism was easily accessible for not, I want to reinforce that during the distribution of social security allowances in the past, there were media reports of misuse of fund even during the distribution of Rs. 500 for social security allowance. We introduced installment payments through banking channel and make the system leakage proof. We took the risk for the first time and this is our biggest achievement. We were successful in providing Rs. 300,000 (about USD 3,000) to each beneficiary directly as per the government's commitment. Due to this, when it comes to housing reconstruction, nobody can raise a finger on transparency. Some people might have faced some difficulties at some wards and rural municipalities where there are no banking facilities. We preferred to take risks rather than misuse of funds. We decided to go for transparency.

Institutional arrangement/ structure

- When it comes to institutional arrangement/ structure, we cannot forget the reality that there was absence of elected representatives, around 50 percent ward secretaries were not in the wards according to the media reports but we were confident that the local governments will be in place in the near future. If you look at our reconstruction policy framework, we have clearly mentioned that this work will go through the local governments once they are in place and we did not agree to provide money to any other organization or agencies, rather we ensured that agreements will be done with the ward secretaries. The vision was such that there will be federal system in future and the local governments will be held responsible for taking up this task and we are now moving in the same direction.
- But there was a political transition and had some political instability which led to some changes in the NRA leadership and that had an impact. During my second inning in the NRA, we endorsed that all the reconstruction task will go through the local level body framework through its first Steering Committee meeting. Based on that policy, we revised all manuals and guidelines - be it monitoring or grant disbursement.
- Since the federal structure was still not in place, we tried to make maximum utilization of the central government apparatus but we did not go for the regular channels. We established a hybrid system by forming various project implementing units in the concerned ministries.
- Now, in the past 8-9 months, we have moved ahead by reaching agreements with all the local governments based on the two-day rigorous discussion programs with the local

government officials and understanding their needs and to provide necessary support and resources to take up the task. We also held discussions with the Municipal Associations to seek suggestions as well. I really believe Nepal's service delivery can be done through the local governments but we need to equip them with technical resources to carry out the task.

Federalization

- We have a kind of dilemma regarding how to fit this task of reconstruction in a new federal system of governance. For example, Constitution has given the responsibility to the local governments for housing reconstruction, billing system but there is a need to improve the capacity of the local governments. We are in favor of both transferring the responsibility of reconstruction works and enhance the capacity of the local governments at the same time. But we have only two years. We are not sure whether we will be able to finish everything in the next two years.
- We need to balance between federal government and the local governments to ensure that expected results are achieved. So, we are focusing on bringing them together by providing them necessary technical support.

Addressing vulnerable communities

- We are aware of the understanding that the government should adopt extra-level subsidy framework to address the need of the marginalized and vulnerable communities. But at that time there was one database and there were some gaps on getting detail information and we had challenges on how to handle that database. Since the government took an approach that nobody has to live under open sky, it decided to provide the grant of Rs. 300,000 to all the earthquake-affected people irrespective of the group they belong to.
- In Nepal, poor people got Rs. 300,000 from the government for the first time. Getting a lump sum amount of Rs. 50,000 was out of imagination for majority of people. There was some kind of excitement among people.
- Besides that, there were some vulnerable communities that we categorized. We got the information that 18,000 families have been identified as vulnerable communities where there were families with children below 15 years of age and those above 70 years of age. For such families, we have decided to give Rs. 50,000 top up grant with special technical support to build their houses. At the moment, 2,000 families have been addressed and we have received support from the development partners as well.

Functional Coordination

- In the 'Act', there was a provision of forming District Reconstruction Coordination Committee under the Chief District Officer (CDO) with the representatives of other concerned agencies but had become inactive. However, we have addressed that problem too. We have formed a district coordination committee at the local level where there is representation of members of parliament who represented the concerned district at the Legislature-Parliament, CDOs, and district coordination officials, chiefs of rural and urban municipalities. This committee is formed to enhance the collaborative relationships between different tiers of government so that they can monitor, coordinate, collaborate, discuss and take decisions in a quarterly basis. This Act has already been enacted in 32 districts.

- Since this committee takes place in a quarterly basis, we have also formed district facilitation committee with the representation from parliamentarians and local government officials. These committees' meetings take place in a monthly basis so that they can take up reconstruction issues immediately.

Handover to local government

- In order to strengthen reconstruction mechanism at a local level, we have formed a local reconstruction facilitation committee under the chairmanship of ward chair and mayors of concerned ward and municipality respectively with the representation from political parties, social workers, engineers etc. We have handed over the process of inspection and supervision to the local level along with the resources, which was earlier given to the district level unit. The local governments can now mobilize civil engineers who will be deployed through the reconstruction units at the local level for housing inspection and supervision. The reconstruction units will remain under the local reconstruction facilitation committees. This will help the local governments take up ownership and will help in providing quality service at the local level.
- We are planning to address the issue of people from marginalized communities by collecting correct information. The problem was caused because there were some technical glitches while transferring data. There were some delays as well. But now we have told them that there should be identification of the problem at ward level and should be verified by the engineers at the local level and they can send us those documents for further verification and we will proceed further. This way nobody will be left out. Besides that we have endorsed a policy that if any local government officials were found providing wrong information and recommending beneficiaries based on the political biases, then they will be punished as per the law. We hope this will strengthen the accountability as well.
- In order to manage these issues, we wanted to establish community-based organizations in ward levels in order to be a bridge between the NRA and the beneficiaries but we could not expand it across the country. However, there has been improvement in two-way communications.

Fundamental problem: Whose problem has been solved?

- The issues that came into political level were because it was people's problem. Regarding the question on whether there were any housing models or not, there were 34 models and we gave them choices and they were free to choose which is good for them. Flexibility was there. Our basic understanding was one or two room houses would be good for single person but we were expecting that they could add some amount of their own to amount provided by the government to make the choice of their earthquake-resilient houses but that did not happen.

Communication:

- Yes, we are weak in communication. We have achieved a lot but have not been able to communicate our achievements properly. Yesterday, I went to present the progress updates in a parliamentary committee and they were surprised at the progress and said that we would do more on promoting the progress updates in the media. But I think it is not only the NRA's responsibility to communicate information about housing reconstruction progress but is also the responsibility of all the concerned agencies involved in it. Even in

this report, if we can also mention about areas of improvement, then it would have been much better.

- Source of communication is very important and how to communicate about the bottleneck is more important. 50 percent people are very happy about the process and are looking forward to other livelihood projects as well. We need to appreciate people as well so that it will help to garner national trust. We need to rightly inform people.

Way Forward:

- I have already prepared Disaster Risk Reduction Management Plan and has already endorsed by the NRA's Steering Committee. Since we have huge lessons learnt and knowledge management, where are we going to host it, because these documents might be useful in case of similar disaster in future? We have started archiving documents of these knowledge and lessons learnt.
- One of the important things of working with the local governments is to enhance their capacity in disaster risk management and have tied it with 5-years plan as well. We have prepared plan of action and have shared it with the World Bank for the support and is positive towards it.
- We are having discussions with the government for the establishment of national disaster management authority so that we can work with both the national and federal level authority and transfer the knowledge we have gained so far before the NRA completes its tenure. We are discussing it with the development partners for the support.

Challenges:

- There are many challenges and there will be many of them in the future as well. We need to be open minded and have to adopt people-friendly approach to resolve them.
- We need Rs. 938 billion as per the five-year plan which we prepared jointly with the support of donor community. Out of this, donor community has pledged Rs. 343 billion and we have a financial gap of Rs. 650 billion. We have so far used Rs. 200 billion and this year, we have a budget of Rs. 191 billion. So how are we going to fulfill it in next two years? That is the most challenging part.
- We are in discussions with donors for the fund management. After revisiting the five-year plan, we still need Rs. 738 billion to complete the task.
- We need to address the issue of human resources management because if we failed to address the issues of technical human resources then these will have huge gap.
- There were issues of property disputes and we now have local representatives in places and they might be able to take right decisions on these legal hassles at the local level.
- This is a huge task and if every sector comes forward to support the reconstruction process then we will be able to reach our target soon.

I would like to request TAF to analyze the progress made by the NRA and finalize this document and discuss further for next plan of action.

Q and A:

Incorporating learnings

Q: With disaster comes opportunity but we have not been able to utilize that opportunity. We did not learn from the efforts we have made during earthquakes be it in 1950 or 1990. So many strategic interventions have been made and there are two acts and a policy has been made and instead of making a new one, it would be better to implement the one which has already been enacted. How are we going to incorporate the learnings so that we do not waste our time in repeating the same stuff?

Gender aspect in reconstruction

Q: How will we address gender aspects in the reconstruction process because majority of women who have been affected did not have land ownership certificates? How will the NRA address the issues of easing the access to resources for women and marginalized community?

A: The government has already started the process of providing dual land ownership certificates so that it would check any kind of misuse that has been happening in some cases where husbands have gone for labor migration and wives have eloped with another person, taking all his property with him.

Integrated settlements

Q: There are so many technical difficulties especially in land pooling for the integrated settlements and majority of people do not have land ownership certificate. So, in this type of cases, the NRA might have to facilitate to address the problem. Similarly in the case of settlements near heritage settlement, around 2,000 have not been addressed, how will the local governments address these issues?

A: This issue is in our notice and things are underway to provide land ownership certificates and the cabinet will address the issue of reconstructing heritage sites of Bhimsen temple and will also provide Rs. 50,000 top-up for its reconstruction.

Except for few local governments, such as Bidur Municipality and Butwal municipality, majority of municipalities still need capacity building training. So any kind of support to enhance the local governments' capacity would be helpful.

Implementing Disaster Reduction Management Act (DRMA)

Q: How is the NRA implementing Disaster Reduction Management Act and we have received complaints from the local government representatives that the NRA is still concerned with grievances only apart from 15 other points?

A: We have included an open provision for authority, roles and responsibility for the local governments and we are working together with them. For integrated settlements, we have already entered into a partnership with the federal government.

[END]