



Aid and Recovery in Post-Earthquake Nepal

Independent Impacts and Recovery Monitoring Phase 4
Qualitative Field Monitoring: April 2017



The Asia Foundation



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Independent Impacts and Recovery Monitoring Phase 4

Qualitative Field Monitoring: April 2017

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The views expressed in this report do not necessarily reflect the UK or the Swiss government's official policies.

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Design: Deddeaw Laosinchai

PREFACE

In 2015, two powerful earthquakes hit Nepal, killing almost 9,000 people and displacing hundreds of thousands more. Since then, The Asia Foundation has been tracking how those affected by the earthquakes have recovered. Four rounds of research, conducted at roughly six-month intervals, have provided snap shots of conditions on the ground, including the challenges people face, the aid they are receiving and the extent to which they are coping.

This report presents findings from the fourth round of research, which involved qualitative fieldwork and a quantitative household survey in April 2017. Because the same wards are visited in each round, with the same people interviewed, the report gives an accurate picture of how things have changed as time has passed.

The findings show there has been some progress in supporting recovery. The incomes of most of those affected by the earthquake have continued to recovery and local markets are operating almost as normal. Drops in food consumption, identified in earlier rounds of research, are now less pronounced than before. The disbursement of the first tranche of the government's housing grant has led some to start rebuilding.

Yet the reports also show the scale of the challenges that remain. Two years on from the earthquakes, the

majority of those whose houses suffered major damage or complete destruction remain in temporary shelters. Rising construction costs have prevented many from beginning to rebuild and people are increasingly borrowing from informal lenders who charge high interest rates. It is likely that many people will get stuck in a debt trap, unable to repay the loans they have taken. Most public infrastructure has not been rebuilt.

The reports also show a worrying divergence in the experience of different groups; this requires urgent policy attention. There are growing disparities in levels of recovery among different socio-economic groups, with many of the marginalized being left behind. Those who had low incomes before the earthquakes, e.g. Dalits, the disabled and widows, score lower than others on most recovery indicators. Indeed, the earthquakes appear to have exacerbated preexisting inequalities. More needs to be done to help these vulnerable groups.

We thank our research partners (Democracy Resource Center Nepal and Interdisciplinary Analysts), our donor partners (UK Department for International Development and the Swiss Development Cooperation), and Nepali government officials in the National Reconstruction Authority and the Ministry of Federal Affairs and Local Development for their support.



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The study was conducted by a team of researchers from DRCN led by Sudip Pokharel. The research was coordinated by Apurba Khatiwada of DRCN. Analysis of the data was done by Amanda Manandhar Gurung, Apurba Khatiwada, Charlotte Ramble and Lena Michaels, who co-authored the report with James Sharrock. Patrick Barron and Sasiwan Chingchit provided guidance and inputs throughout.

Special thanks goes to the team of researchers for their dedication in the field: the senior researchers Chiran Manandhar, Ishwari Bhattarai, Nayan Pokhrel, Shekhar Parajulee and Subhash Lamichhane; and the

researchers Alok Pokharel, Punam Limbu and Tanka Gurung.

George Varughese provided useful inputs at various stages. Deddeaw Laosinchai designed the report.

The project is funded by UK aid through the UK government and the Swiss Development Cooperation, with support from the UK Department for International Development's Programme Partnership Arrangement with The Asia Foundation. Craig Irwin (UK DFID) and Stefan Fuerst (SDC) have managed the project from the donor side, and have produced useful inputs at every stage. The views here do not necessarily reflect the UK or the Swiss governments' official policies.

The IRM research is directed by Patrick Barron with assistance from Sasiwan Chingchit. Lena Michaels coordinates the project in Nepal with support from The Asia Foundation-Nepal.

Executive Summary

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

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

Progress with reconstruction

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

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

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

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

Temporary shelter, displacement and resettlement

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

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

Social relations, conflict and psychological impacts

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

Volumes and types of aid received

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

Needs, shortcomings and satisfaction with aid received

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

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

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

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

The housing grant

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

4, the first installment of the housing grant had been distributed to nearly all beneficiaries who had signed cash grant agreements in Gorkha, Sindhupalchowk and Okhaldhunga. No security concerns, protests or other major concerns regarding the distribution process were reported. The first installment of the housing grant was primarily distributed via banks at the district headquarters and in other market hubs. No mobile banks had been deployed to VDCs visited but in Okhaldhunga a helicopter was arranged to transport the cash to remote VDCs.

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

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

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

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

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

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

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

Politics and leadership

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

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

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

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

Livelihoods

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

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

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

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

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

Coping strategies

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

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

LIST OF ACRONYMS

APM	All Party Mechanisms
CBS	Central Bureau of Statistics
CDO	Chief District Officer
CFUG	Community Forestry User Group
CGA	Cash Grant Agreements
CGI	Corrugated Galvanized Iron
CIAA	Investigation of the Abuse of Authority (CIAA)
CL-PIU	Central Level Project Implementation Unit
CPN	Communist Party of Nepal
CPN-MC	Communist Party of Nepal (Maoist-Centre)
CPN-UML	Communist Party of Nepal (Unified Marxist Leninist)
DCC	District Coordination Committee
DDC	District Development Committee
DDRC	District Disaster Relief Committee
DFID	UK Department for International Development
DRCN	Democracy Resource Center Nepal
DUDBC	Department of Urban Development and Building Construction
INGO	International non-governmental organization
IRM	Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal Project
IRM-1	First round of the IRM study (June 2015)
IRM-2	Second round of the IRM study (February – March 2016)
IRM-3	Third round of the IRM study (September 2016)
IRM-4	Fourth round of the IRM study (April 2017)
JICA	Japan International Cooperation Agency
LBRC	Local Body Restructuring Commission
LDO	Local Development Officer
MoFALD	Ministry of Federal Affairs and Local Development
MoUD	Ministry of Urban Development
NGO	Non-governmental organization
NPR	Nepali Rupees
NRA	National Reconstruction Authority
NRCS	Nepal Red Cross Society

PDNA	Post-Disaster Needs Assessment
PDRF	Post Disaster Recovery Framework
RCC	reinforced cement and concrete
RDC	Relief Distribution Committee SDC
RHRP	Rural Housing Reconstruction Program
SDC	Swiss Agency for Development and Cooperation
TAF	The Asia Foundation
TLC	Temporary Learning Center
UK	United Kingdom
UN	United Nations
USAID	United States Agency for International Development
VDC	Village Development Committee
WCF	Ward Citizen Forum

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Photo: Alok Pokharel



Photo: Alok Pokharel

Chapter 1

Introduction

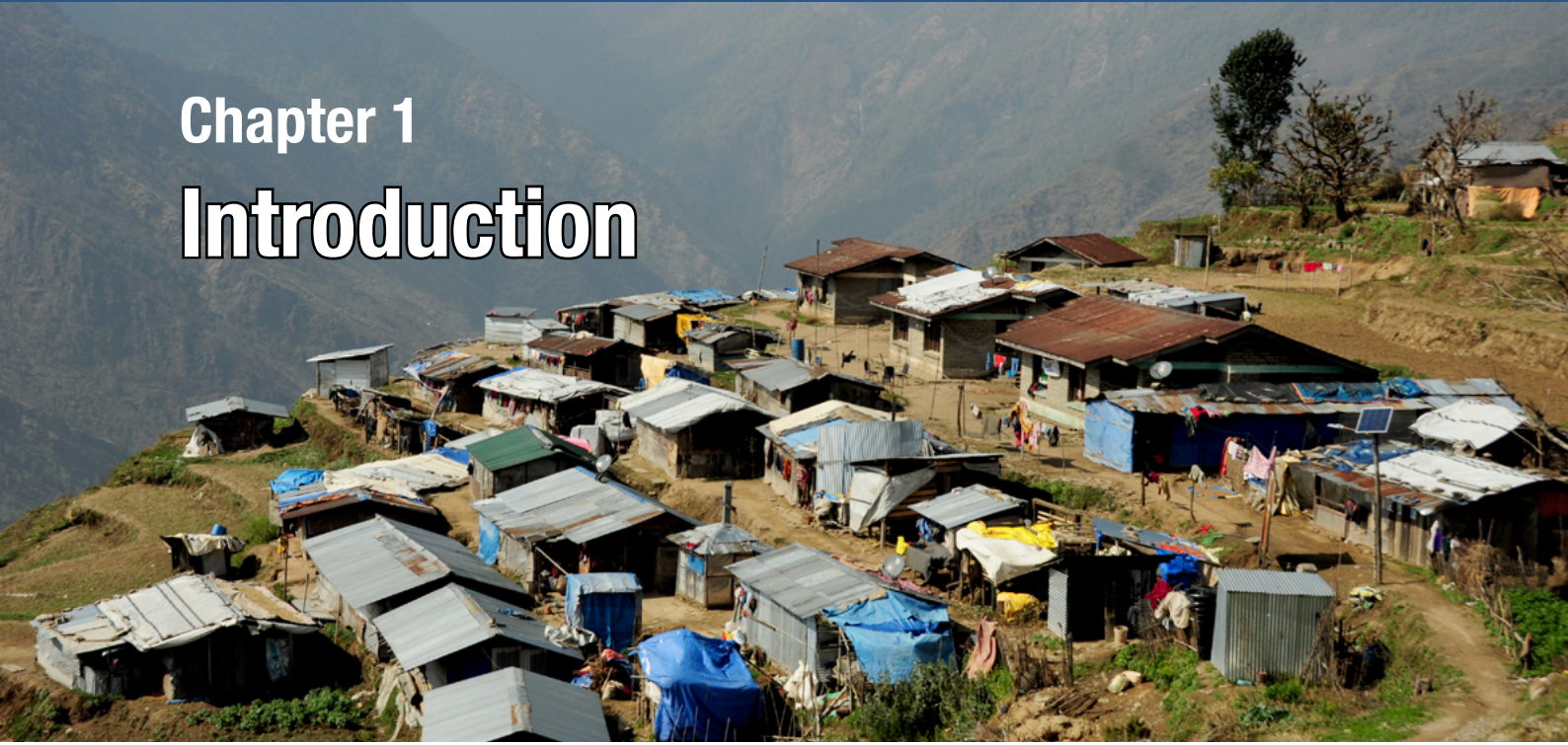


Photo: Alok Pokharel

1.1 Background

The Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM) project tracks evolving conditions and needs in areas of Nepal that were affected by the earthquakes of April and May 2015. Using both quantitative surveying and in-depth qualitative fieldwork, IRM involves revisiting areas and people at roughly six month intervals to assess current conditions and how they are changing. Because data collection and research is conducted in the same areas in each round, with many of the same people interviewed, IRM allows for an assessment of how conditions and needs are changing over time and of the roles that aid is playing—positive and negative—in shaping recovery patterns.

This report, produced by Democracy Resource Center Nepal (DRCN) and The Asia Foundation, provides data and analysis on how aid delivery practices, political cultures, social relations, and livelihoods intersect in order to determine the local-level conditions

that shape community and individual recovery. It complements a report based on quantitative data that has been published in parallel.¹ The findings from the two reports are synthesized in a third report.²

The information provided is from the fourth wave of a ward-level longitudinal qualitative field research study. The methodology combines participant observation, interviews, and focus group discussion methods. This report focuses on findings from the fourth phase of research (IRM-4), which took place in April 2017. Four teams of DRCN researchers conducted research in a total of 24 wards across four earthquake-affected districts.

The first wave of the research (IRM-1) was concluded eight weeks after the April 2015 earthquake and therefore focused on the delivery of humanitarian assistance and the earliest phases of recovery.³ The first phase of monitoring made a series of recommendations on the

¹ The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 4 – Quantitative Survey (April 2017)*. Kathmandu and Bangkok: The Asia Foundation. All IRM reports are available at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>.

² The Asia Foundation (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring*

Nepal Phase 4 – Synthesis Report (April 2017). Kathmandu and Bangkok: The Asia Foundation.

³ The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation (hereafter IRM-1 qualitative report).

basis of research findings and qualitative analysis. It was recommended that relief and recovery efforts should work through government mechanisms: District Disaster Relief Committees (DDRC), Village Development Committee (VDC), and Relief Distribution Committees (RDCs). The research recommended improving existing government mechanisms to make them more transparent, ensuring information was more clearly communicated and providing effective complaint mechanisms. This included clarifying the damage assessment process and instituting inclusive decision-making processes that prioritize the participation of victims of the earthquake. The research pointed towards emerging gaps in resettlement plans for the displaced population, inadequate land assessments and challenges with regard to access to finance and the long-term relief and reconstruction plan. Research also found that while social cohesion and political dynamics had not significantly worsened in the immediate aftermath of the earthquake, caution was needed among policymakers and aid agencies about the possible impact of large-scale reconstruction and other relief on social relations and conflict.

The second round of research (IRM-2) was conducted in February and March of 2016 and provided information on the challenges of the monsoon and winter seasons, as well as the medium-term recovery efforts that took place.⁴ It was recommended that needs assessments should look beyond the reconstruction of physical infrastructure and collate information through coordination mechanisms to develop a shared understanding of needs between the government, NGOs, the UN and foreign agencies. The research also pointed to the importance of clarifying the roles and responsibilities of different government agencies at the district and central levels. With regard to the National Reconstruction Authority (NRA), the report recommended providing detailed information about assessment standards and developing a uniform

dispute settlement mechanism to process complaints that will emerge after the Central Bureau of Statistics (CBS) assessment of damaged houses. Further, the report recommended generating and sharing the results of geological assessments of affected areas and identifying and supporting displaced persons who will need temporary as well as permanent resettlement. Increased focus on protection issues, especially for women and the displaced, and clarification and implementation of soft loans, were also highlighted as important needs.

The third round of research (IRM-3) was conducted in September 2016 and provided updates on the status of reconstruction after the 2015/16 winter as well as recovery challenges during the 2016 monsoon.⁵ It recommended the need for better communication to local government and earthquake-affected households about the housing reconstruction cash grant scheme procedures including the process of selecting beneficiaries. The research also recommended more attention on the specific challenges of vulnerable groups in the recovery, including their lack of access to formal credit leading to a high risk of debt traps. IRM-3 also highlighted the need to look beyond housing reconstruction including considering more livelihoods support for struggling farmers and the need for long-term resettlement solutions for displaced households.

In this fourth round of research (IRM-4), which captures conditions on the ground in April 2017, many of the same challenges persisted while new concerns have also emerged. This report provides analysis of the last six months of recovery and changes in the environment in the studied areas. It also provides recommendations on how to move forward efficiently and effectively with recovery and reconstruction efforts. Recommendations are from the authors alone and do not necessarily reflect the views of the donors.

1.2 Focus areas

The report focuses primarily on four thematic areas, seeking to answer key questions for each:

Conditions on the ground. What are the conditions in areas visited nearly two years after the earthquakes?

Here, the report examines the state of reconstruction of houses, temporary shelter conditions, the status of the displaced, progress in the reconstruction of infrastructure and the impacts of the disaster on social relations, conflict and psychological wellbeing.

⁴ The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 2 – Qualitative Field Monitoring (February and March 2016)*. Kathmandu and Bangkok: The Asia Foundation (hereafter IRM-2 qualitative report).

⁵ The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 3 – Qualitative Field Monitoring (September 2016)*. Kathmandu and Bangkok: The Asia Foundation (hereafter IRM-3 qualitative report).

Aid delivery and effectiveness. How have affected villagers and communities experienced the recovery effort at the local level and how effective has aid been in addressing their needs? Here, the report examines how the types and volumes of aid provided have evolved over time, how assistance including the housing reconstruction cash grant has been targeted and delivered, coordination of and information on aid, and levels of satisfaction with responses.

Politics and leadership. What has been the impact of the disaster and the aid effort on the dynamics and leadership of local formal and informal institutions and how has this changed over time? The report analyzes whether the aid effort has resulted in changes in

the structure, influence, and leadership of local institutions. The report examines the roles of political parties and their leaders in local relief and reconstruction efforts and whether there have been any changes in local political dynamics. The report also discusses the impact of local elections on aid delivery and recovery.

Economy and livelihoods. What are the ongoing impacts of the disaster and the aid response on occupational groups such as farmers, entrepreneurs, and casual laborers? The report examines issues related to livelihoods, including debt and credit, land tenure, access to markets, in- and out- migration and remittances, discussing changes compared to previous rounds of research.

1.3 Methods

This report is based on in-depth qualitative field research conducted between April 2-16, 2017. Researchers visited 24 wards in 12 VDCs/municipalities in four earthquake-affected districts: Gorkha, Okhaldhunga, Sindhupalchowk and Solukhumbu, all of which were also visited in IRM-3.⁶ Researchers also spent time in district headquarters to track changes or developments in the dynamics of the aid response and reconstruction processes.

As with previous rounds, the research teams used key informant interviews, focus group discussions, citizen interviews and participant observation to gather two kinds of data.⁷ First, they collected standardized data on the four focus areas at the district, VDC and ward levels. This facilitated comparison of the impacts of the earthquakes, emerging issues and the disaster response across research areas. Second, teams provided a descriptive picture of the research areas through

in-depth field research. The data were used to explain changes in the research areas and new trends that have emerged since the earlier rounds of the research.

The report focuses on the impact of the earthquake and the response at the ward and VDC levels. Initial sampling of locations was done at three levels—district, VDC and ward—with the intention of selecting sites which varied in terms of two key factors that were predicted to affect the nature and speed of recovery: (i) the degree of impact of the earthquake; and (ii) the degree of remoteness. Selected areas were visited in each round of IRM.

Districts vary by level of earthquake damage: two severely hit, one crisis hit, and one hit with heavy losses districts were visited (Table 1.1). Affected districts were categorized based on the Post-Disaster Needs Assessment (PDNA) carried out by the Government of Nepal.

Table 1.1: District level earthquake impact (PDNA)

Severely hit	Crisis hit	Hit with heavy losses
Gorkha Sindhupalchowk	Okhaldhunga	Solukhumbu

⁶ The sampling strategy changed between IRM-1 and IRM-2. See the IRM-2 reports for a discussion.

⁷ In total, the four research teams spoke to 496 individuals. This involved 195 key informant interviews, 232 citizen interviews 70 people interviewed in focus group discussions. Of these, 186 were women. Of the 232 citizens interviewed, 118 were women.

Levels of impact within these districts varied widely. VDCs were chosen based on information on levels of impact and remoteness gathered by research teams at the district headquarters. In each VDC, teams conducted research in the ward where the VDC hub (center) is located along with a less accessible ward located up to a day's drive or walk away from the VDC hub. Wards were then selected based on information gathered in the VDCs on levels of impact, the location of the wards, and other relevant factors.

During the analysis stage, wards were classified separately to reflect the significant variance in the levels of impact observed by research teams. Wards were classified according to an estimate of the actual level of damage taking into account the percentage of homes completely destroyed and homes rendered unlivable.

Limitations

Research locations. The research is a part of the longitudinal study of the impacts of the earthquake and the changing needs of the victims of the earthquake. Therefore, researchers revisited only those VDCs and wards that were part of the previous rounds of the study. Researchers in the first round of the research were not able to visit very remote and inaccessible VDCs and wards as this round was conducted during the early monsoon period. Therefore, remote VDCs for the purpose of this study also include VDCs that were situated more than half a day's drive or walk from the district headquarters.

Data. Government agencies, including VDC offices and district level agencies, often did not have adequate data on earthquake's impact, aid, and the recovery and reconstruction process. Research teams therefore relied on secondary data, key informant interviews, and their general impressions and observations when there was a gap in the availability of data.

1.4 Structure of the report

The report continues as follows:

Chapter 2 provides an update on the current *status of reconstruction*, as well as policies and recent political developments in Nepal that have affected the earthquake recovery process since the last round of research was completed.

Chapter 3 explores current *conditions on the ground* looking at the state of reconstruction in research areas, shelter, the status of the displaced, progress in rebuilding public infrastructure and security, social relations and psychosocial wellbeing.

Chapter 4 discusses the types and volumes of *aid* distributed, including the distribution of cash grants for the reconstruction of private houses, patterns of aid distribution, government mechanisms for assessing damages and coordinating aid, local involvement in decision-making around aid, changes in the needs and priorities of the people, changes in the nature of aid and levels of satisfaction with the response.

Chapter 5 focuses on the impact on *local leadership structures and political dynamics* as well as the role of political parties in reconstruction and the recovery process in general. This chapter also focuses on political party activities and dynamics at the local level and the role of political parties and other local leaders in the cash grant agreement and distribution process. The emergence of new leadership at the local level and levels of support for political parties are also discussed.

Chapter 6 describes the impact on *livelihoods* and the *economy* in the wards visited and discusses the implications this is having for recovery. This chapter also examines the *coping mechanisms* people are using to address their needs.

The report concludes with a discussion of main findings and policy implications. The recommendations provided are those of the authors alone and not of the donors.

Chapter 2

Developments since IRM-3



Photo: Alok Pokharel

2.1 Current status of reconstruction

From IRM-2 (February-March 2016), and during IRM-3 (early September 2016), government-led reconstruction was largely focused on setting up and implementing the Rural Housing Reconstruction Program (RHRP). This process took longer than expected. It included the formation of the National Reconstruction Authority (NRA) as the lead government agency overseeing reconstruction, as well as the publication of the Post Disaster Recovery Framework (PDRF),⁸ which established the institutional and policy framework for reconstruction from 2016 to 2020.

The RHRP is the main mechanism through which resources are being provided to those whose homes were destroyed or badly damaged in the earthquake.⁹ Through this program, which emphasizes owner-driven reconstruction and ‘building back better’, the Government of Nepal with donor support are to provide cash grants of NPR 300,000 in three installments to eligible beneficiaries to support the building of safer earthquake-resistant houses. Implementing the RHRP required a third round of damage assessments aimed at identifying reconstruction grant beneficiaries, which began in February 2016. It also involved signing agreements with beneficiaries to receive cash grants

for reconstruction (which began in March 2016), followed by disbursement of the first installment of the reconstruction cash grant in the 14 most affected districts (which also began in March 2016).

The RHRP initially prioritized the 14 most affected districts before starting damage assessments in the remaining 17 less-affected districts in late 2016. From early 2016, when the NRA began operations, until late 2016, earthquake reconstruction relief from the government and donors primarily concentrated on the disbursement of cash grants to heavily damaged private households. However, in late 2016 the Cabinet approved retrofitting grants of NPR 100,000 for partially damaged houses that did not need to be destroyed. Around the time of IRM-4 (early April 2017) the NRA also began to formalize policies to address the reconstruction needs of vulnerable groups that were struggling to rebuild. These groups included those whose houses were damaged by the earthquake but who did not have land ownership certificates, earthquake victims living in geologically unsafe areas and vulnerable communities affected by the earthquakes such as Dalits and the elderly. The NRA also made efforts to assist those who were rebuilding but could

⁸ *Post-Disaster Recovery Framework 2016-2020*, NRA, May 2016 http://www.hrrpnepal.org/upload/resources/SoBCJcXm1Ow6g2bhpd89_2017_08_16.pdf

⁹ For a program overview, see <http://www.nepalhousingreconstruction.org/documents/nepal-earthquake-housing-reconstruction-program-overview-summary>.

not meet the compliance criteria for the second and third installments of the reconstruction grant.

According to the Post-Disaster Needs Assessment, 498,852 private houses were fully damaged and 256,697 private houses were partially damaged in 31 districts by the earthquakes of April and May 2015.¹⁰ According to the damage assessment conducted by the Central Bureau of Statistics (CBS), as of early September 2017 a total of 724,895 households across the 31 affected districts are eligible to receive reconstruction assistance.¹¹ However, an additional 27,183 households in the 14 most affected districts have been added to the number of eligible households after their complaints were addressed as part of the grievance process. As a result, there are a total of 752,078 eligible households.¹² This figure is likely to rise following ongoing resurveying as part of the grievance process. A further 24,991 private houses, not counted in the total number of households eligible to receive housing grants, have been assessed as partially damaged and deemed eligible for cash assistance for retrofitting.¹³

Progress in rebuilding remains slow. By late August 2017, more than two years after the disaster, a total of 47,355 houses had been rebuilt according to the NRA (out of 752,078 eligible households).¹⁴ At the

time of IRM-4 fieldwork in April 2017, the signing of beneficiary agreements and the distribution of the first installment of the reconstruction cash grant was largely complete in the 14 most affected districts including Gorkha, Sindhupalchowk and Okhaldhunga. Inspections for and distribution of the second installment started in January 2017 in the 14 most affected districts. Inspections for and distribution of the third installment in the 14 most affected districts began in March 2017. At the time of IRM-4 in April 2017, the CBS damage assessment survey of the 17 less-affected districts was nearing completion (including in Solukhumbu). However, the signing of beneficiary agreements and the distribution of the first installment of the reconstruction cash grant had just started in April 2017 in these districts.

As of early September 2017, 635,289 households across all 31 districts had signed beneficiary agreements (out of 752,078 eligible beneficiaries)¹⁵ and 605,385 households in all 31 districts had received the first installment of the grant in their beneficiary bank account (see Table 2.1).¹⁶ The difference between the number of eligible beneficiaries and the number of households who had signed grant agreements is largely due to the fact that the enrolment process is not complete, as of September 2017, in the 17 less-affected districts.¹⁷

Table 2.1: Progress of private house reconstruction and cash grant distribution in the research area as of September 2017

	Total (across 31 districts)	Gorkha	Sindhupalchowk	Solukhumbu	Okhaldhunga
<i>Damage and assessments</i>					
Private house owners identified by the CBS survey as eligible beneficiaries ¹⁸	724,895	58,503	78,537	10,794	19,819
Additional beneficiaries after grievances redressed ¹⁹	27,183	2,312	1,380	N/A	346

¹⁰ Government of Nepal, National Planning Commission, *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu 2015. Available at: <https://www.nepalhousingreconstruction.org/sites/nuh/files/2017-03/PDNA%20Volume%20A%20Final.pdf>.

¹¹ From the Ministry of Federal Affairs and Local Development's Central Level Project Implementation Unit (MoFALD CLPIU) update, September 1, 2017. Available at <http://mofald-clpiu.gov.np/notice-detail/205>.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017. This figure includes all houses that have been constructed, not just houses that have been constructed under the RHRP.

¹⁵ The total of 752,078 includes beneficiaries added after grievances were addressed.

¹⁶ MoFALD CLPIU update, September 1, 2017.

¹⁷ There is a small caseload of eligible households in the 14 most-affected districts who have not signed beneficiary agreements. This is mostly concentrated in 14 VDCs across the 14 districts, where less than 50 percent of households have signed the beneficiary agreement. The Housing Recovery and Reconstruction Platform (HRRP) are following up in those VDCs to understand the factors behind this.

¹⁸ From the completed CBS assessment in the MoFALD CLPIU update, September 1, 2017.

¹⁹ *Ibid.* Grievances have not yet been reviewed in the 17 less-affected districts including Solukhumbu.

	Total (across 31 districts)	Gorkha	Sindhupalchowk	Solukhumbu	Okhaldhunga
Current total number of eligible beneficiaries	752,078	60,815	79,917	10,794	20,165
Households identified for retrofitting grants ²⁰	24,991	2,019	376	456	1,643
<i>Cash grants²¹</i>					
Beneficiaries who had signed cash grant agreements as of September 1, 2017	635,289	54,521	75,304	8,095	18,701
Beneficiaries who had received the first installment of the cash grant (in beneficiary account)	605,385	54,521	75,191	514	18,644
Beneficiaries who had received the second installment of the cash grant (in beneficiary account)	65,011	6,800	11,070	0	3,405
Beneficiaries applying for the second installment who are noncompliant ²²	5,974	147	277	0	732
Beneficiaries who had received the third installment of the reconstruction cash grant (in beneficiary account)	3,902	1,964 ²³	568	0	2
Beneficiaries applying for the third installment who are noncompliant ²⁴	529	0	8	0	267
<i>Complaints²⁵</i>					
Registered complaints at the local level	207,861 ²⁶	N/A	14,447 ²⁷	N/A	N/A
Complaints reviewed by the NRA as of August 2017	201,951 ²⁸	N/A	N/A	N/A	N/A
Number of grievances cleared	198,321 ²⁹	N/A	10,838 ³⁰	N/A	N/A
Additional beneficiaries after grievances redressed ³¹	27,183	2,312	1,380	N/A	346
Approved complaints	N/A	N/A	N/A	N/A	N/A
Complaints needing further field verification	N/A	N/A	N/A	N/A	N/A

²⁰ *Ibid.*

²¹ Unless stated all data from MoFALD CLPIU update, September 1, 2017.

²² This refers to beneficiaries who have applied for the second installment but whose construction did not fulfil the minimum standards during the inspection process. Figures taken from the Ministry of Urban Development CLPIU update, 1 September 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

²³ No figure listed on the MoFALD CLPIU update. Taken from the MoUD CLPIU update, September 1, 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

²⁴ MoUD CLPIU update, September 1, 2017: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

²⁵ Up-to-date district disaggregated data on complaints is not available as of September 2017.

²⁶ <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

²⁷ MoFALD CLPIU update, September 1, 2017.

²⁸ <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

²⁹ *Ibid.*

³⁰ MoFALD CLPIU update, September 1, 2017.

³¹ *Ibid.* Grievances have not yet been reviewed in the 17 less-affected districts including Solukhumbu.

	Total (across 31 districts)	Gorkha	Sindhupalchowk	Solukhumbu	Okhaldhunga
Reassessment ordered by the NRA	N/A	N/A	N/A	N/A	N/A
Rejected complaints	N/A	N/A	N/A	N/A	N/A
<i>Reconstruction</i>					
Houses rebuilt as of September 2017 ³²	47,355 ³³	4,418	5,620	N/A	1,674

The NRA and respective line ministries have also been involved in the rebuilding of public infrastructure such as government offices, schools, health posts, drinking water infrastructure and cultural heritage sites.³⁴ However, the rate of reconstruction in these sectors has been very slow. An estimated 750 cultural heritage sites, 2,628 government buildings, 9,923 schools and 440 health centers were damaged by the earthquake.³⁵

According to NRA figures in August 2017, only 56 cultural heritage sites have been reconstructed; 128 government buildings are undergoing permanent reconstruction; 2,456 educational institutions have been rebuilt;³⁶ and 140 health centers are undergoing construction. In addition, 904 drinking water supplies have been repaired.³⁷

2.2 Policy framework

The NRA

The National Reconstruction Authority (NRA) is the lead government agency for all post-earthquake reconstruction activities and has a wide mandate relating to the coordination and facilitation of reconstruction, recovery and preparedness work. The NRA was legally established in December 2015.³⁸ The NRA works through other government ministries and their Central Level Project Implementation Units (CL-PI-Us). The NRA also works closely with the Multi-Donor Trust Fund that supports the government-led Rural Housing Reconstruction Program (RHRP).³⁹ The main partners involved are the World Bank, USAID, SDC, the Government of Canada and DFID. The Trust Fund also works closely with JICA and other development partners. The RHRP and NRA are also supported by the Housing Recovery and Reconstruction Platform

(HRRP), which provides assistance through strategic planning and technical guidance to agencies involved in recovery and reconstruction as well as to the Government of Nepal, supporting the coordination of the national reconstruction program and facilitating coordination with other stakeholders.⁴⁰

The NRA has faced ongoing difficulties in carrying out its work, including a shortage of technical staff in the field.⁴¹ Despite being established to speed up reconstruction, the NRA has limited powers to change reconstruction policy or implement policies and typically has to first consult the Cabinet or the Ministry of Finance before any policy changes can be made.⁴² This continued in early 2017, for example, when the NRA had to request the Ministry of Finance to implement

³² *Ibid.* <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

³³ <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017. This figure includes all houses that have been constructed, not just houses that have been constructed under the RHRP.

³⁴ *Ibid.*

³⁵ 'NRA plans to mobilise local unit representatives', June 21, 2017, <https://thehimalayantimes.com/business/national-reconstruction-authority-plans-mobilise-local-unit-representatives/>.

³⁶ It is unclear if this is temporary or permanent construction.

³⁷ All figures from NRA reconstruction progress infographic, August 16, 2017. Available at <http://nra.gov.np/map/details/ZLKsbls3cD3K39JK5GaW16XpzfVhJ3U9kheWYXZTt2M>.

³⁸ For more on the formation of the NRA, see IRM-3 qualitative report.

³⁹ For a program overview see <http://www.nepalhousingreconstruction.org/documents/nepal-earthquake-housing-reconstruction-program-overview-summary>.

⁴⁰ <http://hrrpnepal.org/>.

⁴¹ For more on the problems, see IRM-3 qualitative report.

⁴² 'Reconstructing the reconstruction authority', April 28, 2017, <http://nepalitimes.com/article/nation/reconstructing%20-reconstruction-authority-govind-raj-pokharel,3685>.

the loans scheme for earthquake victims.⁴³ The NRA has continued to try and strengthen its own mandate in order to increase the pace of reconstruction.⁴⁴ In late June 2017 the NRA proposed to the cabinet that all central level project implementation units (CL-PIUs) should be brought under the control of the NRA and not, as currently, under different line ministries.⁴⁵ Opposition from line ministries meant that this proposed change did not take place.⁴⁶

The NRA continues to face pressure to quickly complete the Rural Housing Reconstruction Program. In July 2017, following directions given by the NRA steering committee, the NRA set its own deadlines for earthquake victims to receive all grants for the reconstruction of private homes within the fiscal year 2017/18 (which ends in mid-July 2018), reportedly in order to speed up reconstruction.⁴⁷ Eligible beneficiaries must have signed a beneficiary agreement with local bodies by November 16, 2017. The first installment of the reconstruction grant must be disbursed by January 13, 2018, the second installment by April 13, 2018 and the third installment by July 15, 2018.⁴⁸ As of September 2017, it is unclear what will happen to beneficiaries who do not meet the deadlines in 2018.

To meet the deadline and carry out reconstruction work the NRA has been allocated a budget by the government of NPR 145.93 billion for the fiscal year 2017/18, which is a 31 percent increase compared to 2016/17.⁴⁹ The NRA spent only NPR 42.42 billion out of the reconstruction budget of NPR 111 billion for the fiscal year 2016/17, reportedly due to delays by line ministries and the slow reconstruction rate.⁵⁰ For the overall reconstruction fund, the NRA said, in June 2017, that there was still a shortfall of NPR 308 billion.⁵¹

⁴³ 'NRA nudges ministry over interest-free loan for quake victims', February 20, 2017, <http://www.myrepublica.com/news/15167/>.

⁴⁴ 'NRA Act inadequate for reconstruction task: CEO Pokharel', March 23, 2017, <http://www.myrepublica.com/news/16936/>.

⁴⁵ 'Bring all CLPIUs under NRA Ambit', June 30, 2017, <https://thehimalayantimes.com/business/bring-central-level-project-implementation-units-national-reconstruction-authority-ambit/>. CL-PIUs working on recovery and reconstruction are under the Ministry of Urban Development, the Ministry of Federal Affairs & Local Development, the Ministry of Culture, Tourism & Civil Aviation and the Ministry of Education.

⁴⁶ 'NRA plan falls through as line ministries balk', August 8, 2017, <http://kathmandupost.ekantipur.com/news/2017-08-08/nra-plan-falls-through-as-line-ministries-balk.html>.

⁴⁷ 'NRA sets mid-July 2018 deadline for beneficiaries', July 18, 2017, <http://kathmandupost.ekantipur.com/news/2017-07-18/nra-sets-mid-july-2018-deadline-for-beneficiaries.html>.

⁴⁸ HRRP Weekly Bulletin, July 24, 2017, http://www.hrrpnepal.org/upload/resources/XSd3TlqZ5NWkBECjyJiF_2017_07_24.pdf.

⁴⁹ 'NRA get Rs 145.93b for '17-18', July 13, 2017, <http://kathmandupost.ekantipur.com/news/2017-07-13/nra-gets-rs-14593b-for-17-18.html>.

The CBS assessment

In February 2016, the government began a new (third) round of damage assessments conducted by the Central Bureau of Statistics (CBS). The CBS assessment teams graded the level of damage to houses on a scale of 1-5, with 1 being the lowest damage ('negligible to slight damage') and 5 being the highest ('destruction').⁵² Heavily damaged houses were listed under grades 3, 4 and 5 ('substantial to heavy damage', 'very heavy damage' and 'destruction'), depending on the extent of structural damage and levels of destruction, and deemed eligible for the reconstruction cash grant assistance. Houses with grades 2-major repairs and 3-minor repairs were later deemed eligible for retrofitting grants.⁵³

The CBS assessment found that 724,895 households across the 31 affected districts are eligible to receive reconstruction assistance.⁵⁴ This includes 626,694 households in the 14 most affected districts and 98,201 households in the 17 less-affected districts. As stated in previous IRM reports, the wait for the CBS assessment led to delays in the distribution of reconstruction grants and frustration among earthquake victims.⁵⁵

Complaints and reverification

When the CBS assessment was conducted it also led to most of the 207,861 grievances⁵⁶ registered by earthquake victims in the 14 most affected districts who were left out or believed they were categorized incorrectly in the damage assessment. Of these, 201,951 grievances were reviewed and 198,321 grievances were redressed.⁵⁷ Many complaints related to households who claimed that they were left out of the CBS damage

⁵⁰ *Ibid.*

⁵¹ 'Rs 308b budget gap for reconstruction: NRA', April 28, 2017, <http://www.myrepublica.com/news/18999/>.

⁵² For definitions of the damage categories used during the CBS assessment, see: http://www.hrrpnepal.org/upload/resources/5jdSY7UTqIouv801ZcJx_2017_02_22.pdf.

⁵³ *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017). Unofficial English translation: <https://drive.google.com/file/d/oBzAjdJstFmOdVXhoVUFydnlNTQ/view>.

⁵⁴ MoFALD CLPIU update, September 1, 2017.

⁵⁵ The Asia Foundation and Democracy Resource Center Nepal (2016). *Nepal Government Distribution of Earthquake Reconstruction Cash Grants for Private Houses – Independent Impacts and Recovery Monitoring Thematic Study*. Kathmandu and Bangkok: The Asia Foundation (hereafter IRM thematic study).

⁵⁶ <http://nra.gov.np/mapdistrict/datavisualization> as of September 1, 2017.

⁵⁷ Redressed grievances are sent to local authorities to inform the person who submitted the grievance of the outcome and to include their name in the beneficiary list if required.

assessment or else were incorrectly categorized under the wrong damage grade (and therefore were ineligible for housing reconstruction grants). As of early September 2017, a total of 27,183 beneficiaries have been added to the eligible beneficiaries list in the 14 most affected districts after their grievance had been resolved.⁵⁸

The NRA has attempted to verify complaints through photos of households. However, many complaints require field observation and re-surveying in order to verify information. In August 2017, a total of 332 engineers starting resurveying 128,000 complaints in the 14 most affected districts. The survey is being carried out in coordination with the CBS.⁵⁹ The NRA has set a deadline that all grievances should be officially registered by mid-February 2018.⁶⁰ The grievance caseload for the 17 less-affected districts had not yet been made public as of August 2017.

Cash grant agreements, compliance and distribution

The process of signing reconstruction grant agreements with beneficiaries began in early 2016 in the most affected districts. After grievances were addressed a total of 574,717 households had signed agreements by September 2017 in the 14 most affected districts.⁶¹ The process of signing agreements is continuing in the 17 less-affected districts where, by September 2017, 60,572 households had signed grant agreements.⁶²

After policy changes to the amount and number of tranches were formalized in December 2016, the current guidelines state that earthquake victims will receive NPR 50,000 in the first installment, NPR 150,000 in the second and an additional NPR 100,000 in the third installment.⁶³ NPR 75,000 of the last installment has been granted for the construction of the roof-level while the remaining NPR 25,000 is tied to the construction or repair of a toilet (mandatory) or solar power (not mandatory). The second and

third tranches will only be provided if the household construction has been inspected and found to meet the minimum requirements.⁶⁴ If the inspection finds that the construction work does not meet the minimum requirements the household is issued with a correction order detailing the corrections required in order to become compliant. Once the corrections are completed the work will be inspected again and, if compliant, the grant will be provided.

The NRA along with technical experts from line ministries and partner organizations has developed a 'Corrections and Exceptions' manual to help households who do not meet the compliance criteria.⁶⁵ The manual sets out the step-by-step remedial measures required for the most common non-compliance issues and also illustrates flexibility by setting out cases where exceptions are allowed. The manual is intended to help technical staff and engineers in the field as well as households and has been incorporated with updated inspection forms.

In order to help people meet the compliance criteria the NRA has continued to stress the need for partner organizations to focus on providing technical assistance. The government first raised this issue with I/NGOs in 2015 and the NRA did so again from February 2017. As of late August 2017, just 17 VDCs out of 618 affected VDCs are receiving the full package of technical assistance.⁶⁶ Out of the seven total activities that make up the technical assistance package, around 66.3 percent of VDCs have only received between zero and two activities.⁶⁷ HRRP has also said that in VDCs where only one or two activities are being implemented the activity tends to be mason training. Evidence from HRRP suggests this has little or no impact on household reconstruction if not carried out in conjunction with other activities in the technical assistance package.⁶⁸

Problems remain in documenting how many beneficiaries have accessed their bank accounts as payment of the housing grant is defined as the point at which

⁵⁸ MoFALD CLPIU update, September 1, 2017.

⁵⁹ 'NRA starts resurvey of quake-hit private houses', August 20, 2017, <http://kathmandupost.ekantipur.com/news/2017-08-20/nra-starts-resurvey-of-quake-hit-private-houses.html>.

⁶⁰ NRA August 2017 newsletter <http://nra.gov.np/uploads/docs/RgF1n51veS170825093339.pdf>.

⁶¹ MoFALD CLPIU update, September 1, 2017.

⁶² *Ibid.*

⁶³ *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017).

⁶⁴ As per the *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017) and the *Technical Inspection Guidelines for Housing Reconstruction* http://www.hrrpnepal.org/upload/resources/OxGJpvmui56FILjdfZU9_2017_02_22.pdf.

⁶⁵ Correction/Exception Manual for Masonry Structure <http://nra.gov.np/uploads/docs/EZfLdhwMbD170820044534.pdf>.

⁶⁶ HRRP Weekly Bulletin, September 4, 2017. http://www.hrrpnepal.org/upload/resources/sqifkegpltow96F3VRTP_2017_09_04.pdf.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

the money is put into bank accounts for earthquake victims. Many earthquake victims have faced obstacles in accessing their bank accounts as detailed in previous IRM reports.⁶⁹ As of September 2017, 605,385 of 635,289 households with grant agreements had received the first installment of the grant in their beneficiary bank account; 65,011 had received the

second installment; and 3,902 had received the third installment (see Table 2.1 above).⁷⁰ The NRA measures beneficiaries receiving the grant installments when the amount is sent to beneficiary bank accounts. No data exist on how many people have withdrawn the amount from their account.

2.3 Policies and guidelines since April 2017

During 2017 the NRA made efforts to address policy gaps and the diversity of housing reconstruction needs beyond new housing construction, with a particular focus on vulnerable and poor earthquake victims who are struggling to rebuild. Although guidelines existed beforehand to help such communities, it has mainly been during 2017 that the NRA has been able to formalize such policies. The NRA has also been encouraged in public reports to consider the particular reconstruction needs of the landless and vulnerable communities.⁷¹

The main changes made by the NRA are contained in a new version of the Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073 (2016), revised in May 2017, and the new Procedures for the Relocation and Rehabilitation of Hazard-prone Settlements, 2073 (2017), approved in April 2017.⁷² The revisions included putting in place grants for the purchase of land for the resettlement of earthquake victims living in geologically unsafe areas and grants for landless earthquake victims (see below). While significant challenges remain to implement the new policies at the local level, the policies are a positive step from the NRA.

Land purchase grants to households at risk

In April 2017, the NRA approved new procedures that provided NPR 200,000 to purchase land for every household in earthquake affected districts identified as living in settlements at risk of another disaster.⁷³ This is in addition to the NPR 300,000 housing grant. Households can choose to relocate either within their own district or in any other earthquake-affected district nearby. The grant of up to NPR 200,000 is provided for the purchase of land in safe areas. The NRA has encouraged at risk communities to create groups involving at least 10 families from a settlement so that they can jointly select a safe location for an integrated settlement. However, displaced families may relocate individually if they wish.

The NRA identified the settlements as being at risk of another disaster through a third major geological assessment in late 2016, completed with donor support.⁷⁴ This assessment took place in more than 500 locations across 15 earthquake-affected districts. The assessment categorized sites as either: category 1 – safe communities/villages where reconstruction can be started; category 2 – communities/villages

⁶⁹ For example, in IRM thematic study.

⁷⁰ MoFALD CLPIU update, September 1, 2017.

⁷¹ See for example 'Dalits Left Behind as Nepal Slowly Recovers' by Patrick Barron, April 19, 2017, <http://asiafoundation.org/2017/04/19/dalits-left-behind-nepal-slowly-recovers/> and Amnesty International (2017). *"Building Inequality": The failure of the Nepali Government to protect the marginalized in post-earthquake reconstruction efforts*. London: Amnesty International.

⁷² See the *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017) and *Procedures for the Relocation and Rehabilitation of Hazard-prone Settlements, 2073* (2017).

⁷³ *Procedures for the Relocation and Rehabilitation of Hazard-prone Settlements, 2073* (2017). Unofficial English translation: <https://drive.google.com/file/d/oBzAjdJstFmOdekk2aTFJSTdVT28/view>. Further details are also in the *Criteria for purchasing habitable lands for earthquake victims* (2017) from MoFALD CLPIU: http://mofald-clpiu.gov.np/public/kcfinder/upload/files/jagga_kharid_mapdanda_2074.pdf.

⁷⁴ The first geological assessment was carried out by the Ministry of Home Affairs shortly after the earthquake and around 500 settlements were identified as being at risk. The second was a rapid geological assessment undertaken by the Department of Mines and Geology at 117 locations during the second half of 2015.

under the risk of manageable geo-hazards where reconstruction can be started only after applying mitigation measures; or category 3 – unsafe communities/villages due to the existing state of geo-hazards where reconstruction is not recommended. The assessment also identified potential relocation sites. The new procedures defined all households in category 3 to be eligible for the NPR 200,000 relocation grant, regardless of whether or not they have been listed as eligible for the housing reconstruction grant under the CBS damage assessment.⁷⁵

The survey identified a total of 136 settlements under category 3 for relocation to safer places.⁷⁶ Out of 136, 60 settlements have to be completely relocated while 76 have to be partially relocated. In all, 2,361 households are to be relocated and are eligible for the NPR 200,000 grant to support the purchase of land in safer areas. To support the relocation process the NRA is reportedly helping to develop integrated settlements to be built by the government at sites close to high risk areas that need to be relocated in Gorkha, Sindhupalchowk, Rasuwa, Nuwakot and Dolakha districts.⁷⁷ The extent to which at-risk households have been informed of their status and possible relocation sites is unclear as are many details about implementation of the policy.

Land purchase grants to landless households

After previously implementing some measures to allow households to access the housing grant without land ownership certificates,⁷⁸ the NRA introduced a new procedure in the May 2017 revision of the Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073 (2016).⁷⁹ Essentially, households who are living on public land, government land or forest areas—without owning that land—and

who are eligible to receive the housing reconstruction grant, and do not have land anywhere in Nepal, will be provided NPR 200,000 to purchase land. This is in addition to the NPR 300,000 housing reconstruction grant after the land has been purchased. The NRA has reportedly identified 9,420 landless households who are eligible to apply for the land purchase grant.⁸⁰ Close coordination with rural municipalities and municipalities will be needed to ensure landless households are aware of and can access this grant.

Loans for vulnerable communities

Alongside the reconstruction grants for damaged houses, the government has made provisions for loans in recognition of households' needs for additional cash to rebuild. There is a subsidized loan available to earthquake victims with a 2 percent interest rate available for up to NPR 1,500,000 outside the Kathmandu Valley and up to NPR 2,500,000 inside the Valley with collateral. The government will not act as a guarantor for this loan and households must meet the requirements of banks in order to access this loans.⁸¹ There is also another loan available for NPR 300,000, with an interest rate of 2 percent that is intended as top-up support for the most vulnerable households. In order to be eligible, households must be recommended by the District Disaster Relief Committee. The community acts as guarantor for this loan.⁸²

While the loans were previously announced, the NRA has re-emphasized them and defined vulnerable groups as women-headed households, landless, low income farmers, laborers, households with disabled family members, child-headed households, and other poor groups.⁸³ In practice there are significant difficulties for earthquake victims in accessing the loans. Previous IRM research has indicated that banks are reluctant to provide soft loans without assurances

⁷⁵ *Procedures for the Relocation and Rehabilitation of Hazard-prone Settlements, 2073* (2017).

⁷⁶ 'NRA readies list of quake-hit settlements for relocation', August 28, 2017, <http://kathmandupost.ekantipur.com/news/2017-08-28/nra-readies-list-of-quake-hit-settlements-for-relocation.html>.

⁷⁷ 'NRA to build integrated settlement in Selang', July 2, 2017, <http://kathmandupost.ekantipur.com/news/2017-07-02/nra-to-build-integrated-settlement-in-selang.html>.

⁷⁸ This included making the land registration certificate optional. For more see the IRM-3 qualitative report.

⁷⁹ Further details are also in the *Criteria for purchasing habitable lands for earthquake victims* (2017) from MoFALD CLPIU: http://mofald-clpiu.gov.np/public/kcfinder/upload/files/jagga_kharid_mapdanda_2074.pdf.

⁸⁰ 'Landless quake victims to get additional grant of Rs 200,000', May 9, 2017, <https://thehimalayantimes.com/business/landless-quake-victims-get-additional-grant-rs-200000-2/>.

⁸¹ *Refinancing Procedures for the Reconstruction of Private Houses destroyed by the earthquakes, 2072*. Unofficial English translation: http://www.hrrpnepal.org/upload/resources/BUE1MyWI7PXXwrJbf53H_2017_02_22.pdf.

⁸² *Procedures for providing interest-free loans in collective collateral for the construction of houses of the earthquake victims, 2074* (2017). Unofficial English translation: <https://drive.google.com/file/d/oBzAjdJstFmOdczhlSXBndTAyS2c/view>.

⁸³ 'Govt to give loan sans interest to quake-hit', May 25, 2017, <http://kathmandupost.ekantipur.com/news/2017-05-25/govt-to-give-loan-sans-interest-to-quake-hit.html>.

from the government. Many earthquake victims lacked knowledge about how to access soft loans from formal institutions, creating debt traps as they borrowed from informal sources at high interest rates.⁸⁴ By July 2017, only 382 earthquake victims had received these special loans from banks and financial institutions.⁸⁵

Extra grants to vulnerable groups

The NRA has also emphasized that vulnerable communities receiving the housing grant are eligible to receive an additional NPR 50,000 grant from INGOs on top of the NPR 300,000 housing grant. Vulnerable earthquake victims are defined as being from “poor families, poor Dalits, widows with only minors in the family, single women headed families, families with only senior citizens above the age of 75 and single person families with disability based on the recommendation issued by the local bodies.”⁸⁶ This was detailed in the ‘Procedures related to the mobilization of non-governmental organizations for reconstruction and rehabilitation, 2016 (revised January and April 2017).’⁸⁷ The grants are available for three areas: resettlement and settlement relocation, for vulnerable groups and for transportation management necessary for private housing reconstruction in prescribed remote areas.⁸⁸

Post-earthquake recovery and reconstruction issues did not play a large role in national politics during the research period, particularly compared to a more prominent role during IRM-2 and IRM-3. The announcement of local elections following a 20-year gap, local level restructuring of the state, and continuing political debates between Madhesi political groups and the main political parties over a proposed constitutional amendment meant the post-earthquake recovery and reconstruction agenda did not receive high attention in national political debates.

⁸⁴ IRM thematic study.

⁸⁵ ‘Two years on, only 382 earthquake victims receive concessional loans’, July 21, 2017, <http://www.myrepublica.com/news/24199/>. It is unclear how many of these loans are to vulnerable groups based on community collateral.

⁸⁶ <http://www.hrrpnepal.org/faq/o/o/2>

⁸⁷ Unofficial English translation: <https://drive.google.com/file/d/oBzAjdJstFmOda1FKZnlKLTNnSTg/view>

⁸⁸ <http://www.hrrpnepal.org/faq/o/o/2>

⁸⁹ DUDBC design catalogue volume 1: http://www.hrrpnepal.org/upload/resources/okWiRX4ndUZMPg9T75LA_2017_02_23.pdf, DUDBC design catalogue volume 2: http://www.hrrpnepal.org/upload/resources/dwgUb4D9Nvf7xPkY8sej_2017_04_15.pdf

House designs

There are now multiple different design catalogues available to assist technical staff and households in earthquake reconstruction. This includes the two volume design catalogues produced by the Department of Urban Development and Building Construction (DUDBC)⁸⁹ and multiple Type Designs and drawings produced by the Ministry of Urban Development CLPIU. Households do not have to rebuild using these designs, and are free to develop their own house design following the principles of the National Building Code.⁹⁰

Retrofitting grants

In late 2016 the Cabinet approved retrofitting grants of NPR 100,000 for partially damaged houses that did not need to be destroyed. Houses that were assessed by the CBS as being grade 2-major repairs and grade 3-minor repairs were deemed eligible only for retrofitting grants.⁹¹ Initially a total of 19,866 houses in the 14 most affected districts were deemed eligible for the grant. This has been followed by another 5,125 households in the 17 less-affected districts meaning a total of 24,991 private houses (as of August 2017) have been assessed as eligible for cash assistance for retrofitting.⁹²

2.4 National politics

On February 20, 2017, the government announced that it would hold local elections on May 14, 2017. Protests occurred in the Terai, which was not affected by the earthquakes, against the proposed local government units and were accompanied by demands to alter the provincial border of Province 2 and make constitutional amendments to that effect.⁹³ As a result, the government decided to hold the local elections in two phases: the first on 14 May in Provinces 3, 4 and 6 and the second phase on 14 June. Later, the government postponed the second phase of the elections

⁹⁰ <http://dudbc.gov.np/buildingcode>.

⁹¹ *Grant Disbursement Procedures for Private Houses Destroyed by the Earthquakes, 2073* (2016, revised 2017).

⁹² MoFALD CLPIU update, September 1, 2017.

⁹³ See for detail: DRC-Nepal, *Mobilization and Incidents Around the Announcement of the Local Elections* (available at: <http://democracyresource.org/wp-content/uploads/2017/04/Analysis-Update-1-Mobilization-and-Incidents-Around-the-Announcement-of-the-Local-Elections-March-2017.pdf>);

in Provinces 1, 5 and 7 to June 28 and in Province 2 to 18 September 2017. Gorkha (Province 4) and Sindhupalchowk (Province 3) joined the first phase while Okhaldhunga (Province 1) and Solukhumbu (Province 1) were part of the second phase. The focus on local elections and formation of local level units contributed to a lack of attention on post-earthquake recovery and reconstruction issues at the national level. On March 10, 744 new local government units replaced more than 3,000 earlier ones (municipalities and VDCs). Many of the new local government units were formed by merging two or more previous local units and therefore proved highly contentious, leading to heated political debates.

Although issues relating to post-earthquake recovery and reconstruction did not become part of national political debates, politics at the center remain unstable. After the local elections were successfully held in Provinces 3, 4 and 6 on May 14,⁹⁴ Prime Minister Pushpa Kamal Dahal, who had formed a coalition government in August 2016, resigned on May 24, 2017 as a part of the power sharing agreement between the Nepali

Congress and the CPN (Maoist Centre). The new Prime Minister, Sher Bahadur Deuba, from Nepali Congress was the fourth Prime Minister since the earthquake in May 2015. The new Deuba government identified its main priorities were concluding the remaining phases of local elections and holding provincial and federal elections before the termination of the tenure of the present parliament on January 21, 2018.⁹⁵

Since the formation of the Deuba government, national political debates have focused on the government's proposal to amend the constitution that would have addressed some of the demands of Terai-based political parties. On August 21, the amendment bill was submitted in the Parliament. However, the bill failed to gather enough support in the parliament. Since then, Terai-based political parties, who had so far boycotted the two rounds of local elections, have indicated that they may take part in the third round of elections. Following exceptionally heavy monsoon rains in early and mid-August 2017, the government has also been preoccupied with responding to flood-affected areas in the Terai.

DRC-Nepal, Impact of the Saptari Incident on the Electoral Environment (available at: http://democracyresource.org/wp-content/uploads/2017/04/Analysis-Update-2_English.pdf); DRC-Nepal, Incidents and Electoral Environment after Madheshi Morcha's Withdrawal of Government Support (available at: http://democracyresource.org/wp-content/uploads/2017/04/Analysis-Update_3.pdf); DRC-Nepal, Incidents and Electoral Environment around Local Elections (available at: <http://democracyresource.org/wp-content/uploads/2017/05/Analysis-Update-4.pdf>).

⁹⁴ DRC-Nepal, Preliminary Statement on May 14, 2017 First Phase Elections (June 7, 2017), available at: http://democracyresource.org/wp-content/uploads/2017/06/DRCN_Preliminary-Statement_Final_7.6.17.pdf.

⁹⁵ 'Three-tier election, government top priority: PM Deuba', June 8, 2017, <http://www.myrepublica.com/news/21448/>.

Chapter 3

Conditions on the Ground



Photo: Alok Pokharel

Key Findings:

State of reconstruction of houses

- Reconstruction activities quickened after the 2016 monsoon for a number of reasons including the widespread distribution of the first tranche of the housing grant, suitable weather and better road access during the dry winter season.
- However, reconstruction slowed down again in early 2017 because most people had insufficient resources to keep building.
- Increases in the price of construction materials, water shortages, high transportation costs and scarce and costly labor were major obstacles to rebuilding.
- People in wards with higher levels of external assistance, internal community support systems and good road access were more likely to have started rebuilding. Poor and marginalized groups were less likely to have rebuilt. Dalits in particular, continued to be the slowest to recover.

Temporary shelters

- Most people whose house suffered major damage or destruction were still living in temporary shelters. There were few changes or improvements to shelters since IRM-3.
- People did not feel their shelters are fit for long term occupation.
- Community shelters were no longer in use.

Displacement

- The number of people who are displaced was declining with people moving back to their land, even if it was not safe, or buying new land.
- Communal tensions between displaced households and local communities led some to find alternative living arrangements.
- Information about geological assessments that had been conducted had not been communicated to the displaced and local government officials also often did not know the results.
- Few steps had been taken to resettle the displaced and to address their vulnerabilities.

Reconstruction of infrastructure

- There was some progress with rebuilding public infrastructure but construction has been slow and most infrastructure had yet to be repaired or rebuilt.
- Progress rebuilding educational and health infrastructure was quicker.

Social relations, conflict, and psychosocial well being

- The security situation is stable, no new major conflicts were reported, and social relations remain unchanged.
- Most people's lives have improved since the early months after the earthquakes, but many people were still struggling economically and psychologically.

3.1 State of reconstruction of houses

Progress in reconstruction in the research areas

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

Between IRM-3 (September 2016) and IRM-4 (April 2017), the reconstruction of private houses progressed faster in all of the VDCs visited. More construction activity was taking place and more houses were being rebuilt than in previous research rounds.⁹⁶ While in IRM-3, there had been almost no progress in reconstruction, by IRM-4, between 10 and 50 percent of earthquake-affected households in the VDCs visited had begun rebuilding.⁹⁷ Among these households, some had only just begun to clear the land for construction while others had already fully rebuilt. In addition, many of those interviewed in the VDCs doubted that they would be able to finish rebuilding without going into debt due to rising reconstruction costs and uncertainty about whether they would receive further installments of the housing cash grant.⁹⁸ Significant numbers were knowingly or unknowingly not following the suggested building designs or the national building code.⁹⁹

In all 24 wards visited, more households had begun rebuilding, with varying degrees of progress, compared to previous research rounds. In some wards, only one or two households were rebuilding while in other wards almost everyone was rebuilding or had completed the construction of their new house.

The distribution of the first installment of the housing reconstruction grant in the second half of 2016 (in the 14 most affected districts), suitable weather for construction during the post-monsoon dry season, and better road access during the dry winter season led to the increase in reconstruction activities. People reported ‘excitement’ about finally starting reconstruction. Further, it was reported that as more households started to rebuild, this generated momentum and others decided to follow. As a resident of Prapcha VDC,

Okhaldhunga, said, “Everyone began building their house, so I did too.” However, the housing cash grant was not the only reason why progress in reconstruction was made as many households were rebuilding without the grant or had to borrow money and use their savings to cover construction costs.

Overall, progress in reconstruction remained slow. Most of those whose houses were damaged had not started to rebuild or retrofit their house. For many of those who had started, construction was slowing down again in early 2017.

Despite progress with the reconstruction grant process, most earthquake-affected households in the VDCs visited had not yet begun work to rebuild or retrofit their houses by April 2017. In each VDC, over 50 percent of those whose houses were damaged had yet to start the work – in some VDCs, the figure was 90 percent.¹⁰⁰ During the research in April 2017, excitement about the beginning of reconstruction, described above, was giving way to resurfacing frustrations about the slow pace of reconstruction.

The most common source of frustration among housing grant beneficiaries, and one of the main reasons for the slow pace of reconstruction in April 2017, was the delay in the distribution of the second installment of the cash grant. This was compounded by uncertainties about the technical requirements that had to be met if people were to be compliant and receive the second installment and additional uncertainty about who would be eligible for subsequent installments of the grant.¹⁰¹

Common obstacles to rebuilding

A number of other obstacles to reconstruction help explain why few households were rebuilding almost two years after the earthquakes and why some groups were falling behind (Table 3.1).

⁹⁶ Progress in reconstruction was also observed in district headquarters. This is also evident from looking at the numbers of houses rebuilt or numbers of beneficiaries in the process of the first, second and third installment of the reconstruction grant according to official sources (see Table 2.1).

⁹⁷ This includes housing grant beneficiaries and those who were not listed as beneficiaries in the CBS assessment. Some of the latter have since filed complaints and may later be added to the

beneficiary lists while others are rebuilding individually without housing grant assistance.

⁹⁸ See Chapters 4.4 and 6.3.

⁹⁹ See Chapter 4.4.

¹⁰⁰ The percentages are estimates based on research observations and information given by VDC interviewees.

¹⁰¹ See Chapter 4.4.

As in previous research rounds, most earthquake-affected people across the VDCs visited said that they did not have sufficient financial resources to rebuild.

The housing reconstruction grant continued to be perceived as insufficient, covering only a small portion of the construction costs, especially as prices for labor and materials were rising. Delays and uncertainties related to the distribution of the second installment of the grant exacerbated financial insecurity among

beneficiaries. As a result, many households across VDCs visited said that they would only start reconstruction once they had access to additional cash. A resident of Barpak VDC explained: “Many people have problems to build a new house as the old materials have been damaged, and they do not have the financial capacity [...]. Soft loans are inaccessible so far, and people are not even sure about the second tranche of the government’s housing cash grant. This is why many people do not dare to start reconstruction.”

Table 3.1: Common challenges to reconstruction in VDCs visited

Common challenges during reconstruction	Number of VDCs in which these challenges were frequently raised by residents ¹⁰²
Insufficient financial resources/cash grant not enough	12
Delays in distribution of cash grant/uncertainty about the second installment	8
Lack of skilled masons/lack of construction workers	7
Shortage of or difficult access to construction materials/high costs of construction materials (including water)	6
Transportation issues (high transportation costs or difficult or no road access)	5
Lack of awareness of national building code/confusions or dissatisfaction over building code and suggested designs	5
Resettlement to safer locations required but has not been resolved	3
Waiting for better weather to rebuild	2
High demolition costs	2

In all twelve VDC visited, residents reported that the price of construction materials continued to be much higher than before the earthquakes. In four of the VDCs visited, prices had further increased since IRM-3 (September 2016).

The price of construction materials was generally high but varied in the VDCs visited depending on local availability and road access. However, all VDCs visited had seen increases in the prices of at least some of the main materials needed for construction such as sand,

stones, bricks, wood, cement, iron rods and corrugated iron sheets (CGI). For example, in VDCs visited in Sindhupalchowk the price for crushed stones increased from NPR 1,200 to NPR 1,500 per cubic meter

¹⁰² This table lists the common challenges in VDCs visited as they were perceived and most frequently mentioned by key informants and earthquake-affected households. Other challenges that were observed are discussed throughout this section. Some of these challenges were observed to be more common across VDCs but were only raised in a small number of VDCs (for example the lack of trained masons and confusion about building codes).

and the price for a truckload of sand rose from NPR 9,000 to NPR 12,000-15,000. In Baruneshwor VDC in Okhaldhunga, prices for cement, iron rods and bricks had increased by at least 10 percent. A sack of cement, for example, used to cost NPR 900 before winter 2016-2017 but was now NPR 1,040. In other areas, prices had risen much higher due to increased demand. In Nele VDC in Solukhumbu, nearly all affected households were rebuilding (see Case Study 4.1). Demand for construction materials was therefore high. Prices for wood and stones had reportedly increased by around 50 percent in this VDC.

Reconstruction is seen as requiring construction materials from outside VDCs, leading to higher transportation costs.

People felt that rebuilding following the suggested building designs for earthquake-resilient houses issued by the Nepal government would require construction materials that are generally not locally available in rural Nepal.¹⁰³ Wood and stones are often available locally, but sand, cement, iron rods and CGI sheets have to be transported to the VDCs visited. Nails, screws and other smaller items needed for construction also need to be brought to the VDCs.

The price of construction materials increased because of rising demand, resulting in shortages, along with high transportation costs.

Road access is difficult in many settlements due to the absence of all-weather motorable roads, and in some settlements road access is lacking altogether. Where materials had to be transported by foot, labor costs increased significantly. The rising demand for porters to carry materials to specific construction sites or unload materials from vehicles further increased labor costs. To illustrate, in Baruwa VDC, Sindhupalchowk, the cost for carrying cement from the nearby road to the construction site is NPR 150 per sack. A longer

distance would mean that the carrying charge would be higher than the cost of the cement sack itself at NPR 1,020. Unsurprisingly, VDC staff and key informants in the study areas frequently said that they needed better road infrastructure.¹⁰⁴

Even for materials that are available locally, costs have increased due to rising demand. This includes the cost of labor to break and carry stones and the hiring costs of vehicles or porters to transport materials to the construction site. In Sindhupalchowk, trucks were reportedly often waiting in queues for days to load stones and sand. Since the cost of waiting was passed on to the homeowner, the transportation cost for these materials was more than double the usual price. Residents in VDCs visited in Sindhupalchowk also stated that the wood available locally is not enough to meet construction demands. In two VDCs visited in Okhaldhunga and Gorkha, shortages of timber were also reported to have affected reconstruction. In Gorkha, the shortage of wood was so acute that rules for the cutting of trees in community forests and on private land were relaxed.¹⁰⁵ The shortage of wood is having a particularly negative impact on recovery for Dalits, who have limited access to community forests (see Case Study 3.4, below).

Water shortages also had implications for rebuilding.

As mentioned in previous IRM reports, there were water shortages or insufficient drinking water infrastructure in many of the VDCs visited. This continued to be the case in IRM-4. Nine of the 24 wards visited continued to be without sufficient drinking water. Beyond drinking needs, water is also required in large amounts for construction, primarily for mixing cement or mud. If water has to be bought from elsewhere this increases costs. Disputes over access to local water supplies may therefore become more prominent as reconstruction moves ahead.

¹⁰³ This is partly due to a lack of awareness about the multiple different design catalogues available to assist technical staff and households in earthquake reconstruction (see Chapter 2 for more). These include hybrid options that emphasize the use of local materials. Households also do not have to rebuild using these designs, and are free to develop their own house design following the principles of the National Building Code.

¹⁰⁴ See Chapter 4.2.

¹⁰⁵ Community Forestry User Group (CFUG) policies traditionally limit the cutting of trees except for annual quotas for a few households. See, the IRM-3 qualitative report, pp. 68-70 and Case Study 7.2 for more details on CFUG policies and reconstruction.

Case Study 3.1: The cost of rebuilding continues to soar in Solukhumbu¹⁰⁶

In Nele VDC in Solukhumbu, people were rebuilding faster than elsewhere as they received help from an individual donor. Yet, high construction costs still made rebuilding challenging.

Almost all of the houses rebuilt in Nele followed a similar building technique: the houses had wooden frames, stonewalls, and CGI roofs. Only a small number of houses had concrete walls. By residents' estimates, the minimum cost of rebuilding a two-story, four-room earthquake resistant house in Nele that met building requirements was at least NPR 700,000 in April 2017. The NPR 200,000 assistance residents received from the individual donor still left people at least NPR 500,000 short.

This was especially difficult for low-income families who had to resort to borrowing, often at very high interest rates. Dalit families in one of the wards visited in Nele reported that they had had to borrow between NPR 300,000 to 500,000 to complete rebuilding. The CBS assessment had concluded in Nele but the list of eligible beneficiaries for the housing grant from the government was yet to be published, as of April 2017. Residents therefore remained unsure whether or not they would qualify for assistance. Many low-income families who had either already rebuilt their houses or were in the process of rebuilding were in high debt and feared getting stuck in debt traps.

According to Nele residents, construction costs had increased exponentially since the earthquakes due to high prices for materials and labor. A four-room, two-storied house made of wood and stone was estimated to require around 50 to 60 tractors of stone. The market price of stone including transportation in April 2017 was NPR 5,500 to 6,000 per tractor. This was an increase of over 25 percent since IRM-3 in September 2016. The total cost of stone to rebuild one house would thus be at least NPR 300,000. The cost of CGI sheets has also increased steadily since IRM-3. It was estimated that one house requires about NPR 50,000 worth of CGI for a roof.

Daily wages for laborers had also increased consistently since IRM-2 (early 2016) in Nele VDC, and elsewhere in Solukhumbu. A skilled mason cost NPR 1,500 per day, while semi-skilled masons cost about NPR 1,200 per day, and unskilled labor cost NPR 800 to 1,000 per day. This was an increase of about 40 percent since IRM-3, and more than 100 percent since the earthquakes. Respondents in Nele estimated that a group of four skilled to unskilled masons and laborers would take at least 50 days to build a house, which would result in a total labor cost of about NPR 250,000.

The cost of wood also increased by at least 40 percent since IRM-3, with respondents estimating that the minimum cost of wood for one house would be between NPR 250,000 and NPR 300,000.

A shortage of trained masons and higher wages for all construction workers also made reconstruction more expensive and delayed reconstruction for many trying to build their houses.

Daily wages for skilled and unskilled labor have steadily increased since the beginning of reconstruction. This benefits laborers¹⁰⁷ but raises costs for those trying to rebuild. In general, however, there was a shortage

of trained construction labor, which meant that even those able to pay higher wages struggled to find laborers and often had to delay rebuilding.

Other challenges were less commonly cited but affected a significant number of people: high demolition costs for partially damaged houses, unresolved resettlement issues, delays in addressing grievances, difficulties in accessing soft loans, and not enough land to rebuild.

In VDCs where land was damaged and households continued to be displaced, resettlement to safer locations was required but this had not yet been resolved and was a major challenge to reconstruction. In some

¹⁰⁶ This is a follow-up from Case Study 7.1 in IRM-3. See the IRM-3 qualitative report.

¹⁰⁷ See Chapter 6.1 on wages for laborers.

locations, houses were only partially damaged and people cited additional demolition costs as an obstacle to rebuilding. In Lisankhu VDC in Sindhupalchowk and some parts of Tanglichowk VDC in Gorkha, people said that the first installment of the cash grant was not enough to pay for demolition, let alone laying the foundations of the house. A resident of Tanglichowk VDC in Gorkha for example had to first demolish his old house to free up space to build a new one: “I have not built a new house in the absence of availability of land. I do not have enough land to reconstruct a new house. I am thinking of demolishing my damaged house and rebuilding in the same place.” In Lisankhu, most mud-stone houses were cracked but still standing. Locals said that they could not repair the houses and would have to fully rebuild to make them safe. The VDC Secretary explained: “The people [in this VDC] are not constructing homes as we expected. The houses [...] are not flattened. It takes extra money to demolish.”

Most of those who had filed grievances with authorities remained unsure about whether or not they would eventually receive the housing cash grant and were therefore still waiting to rebuild.¹⁰⁸ Access to soft loans remained extremely difficult and many households said that better information about and access to affordable credit was a key need.

Who is rebuilding?

A number of outside factors and decisions determined whether households were rebuilding or not. The above section discussed the common challenges that prevent many households from rebuilding. However, some additional patterns were observed that helped determine which locations, communities and socio-economic groups were either faster or slower to rebuild, as well as about how affected households took decisions on whether and when to begin construction.¹⁰⁹

Progress in reconstruction was uneven across wards visited. Faster rebuilding rates were observed in wards with greater outside assistance and internal community support systems.

One factor found to enable faster rebuilding was the presence of outside donors who rebuilt houses for

people or who were significantly invested in helping people rebuild, both financially and by providing materials and assistance for construction. In Nele VDC in Solukhumbu, an individual donor provided assistance for the rebuilding of nearly all damaged houses in the VDC (see Case Study 4.1, below) and in one ward of Baruwa VDC in Sindhupalchowk, an Italian individual had helped rebuild several houses. In these locations, noticeably more houses had been completed compared to other wards visited in the districts.¹¹⁰

Another factor was intra-community support during reconstruction through traditional labor sharing practices, called *parma*. In some wards of Syaule VDC, Sindhupalchowk, the local Tamang community resorted to labor sharing during reconstruction because of high labor costs and labor shortages. This allowed them to proceed steadily with reconstruction. However, such labor sharing practices are not widely available across earthquake-affected districts.

Wards with good road access and higher wealth were also generally faster to rebuild.

The accessibility of wards had a direct impact on rebuilding. As mentioned above, road access and the ability to transport construction materials were major challenges in many areas. Further, those in more remote areas have generally received less aid.¹¹¹ It is not surprising that households in market areas and other hubs with good road access were faster to rebuild. These households often had cash incomes from businesses and were wealthier than more remote farming communities. They therefore had more financial resources and a greater need to rebuild their houses and businesses.

Reconstruction was more difficult for those in heavily hit, remote areas of all districts, mainly due to greater difficulties in transporting materials and accessing aid. This was particularly the case for households in districts that were not classified as severely hit and which have therefore generally received less attention and aid. Out of the districts visited, this applies to Solukhumbu and Okhaldhunga. Both districts have pockets where the impact of the earthquakes was severe, often as severe as in Sindhupalchowk or Gorkha. Yet, the aid response in Solukhumbu and

¹⁰⁸ See Chapter 4.4.

¹⁰⁹ Faster rebuilding does not necessarily equal better rebuilding. Many of the houses that were rebuilt or repaired comparatively fast were not following the national building code or suggested household designs – often because they were built before the suggested designs were finalized and because they were unaware of the need to be compliant with the national building code.

¹¹⁰ It is unclear whether or not these houses are compliant with the national building code. The NRA has attempted to discourage

this approach to rebuilding, preferring that individual donors and NGOs support technical assistance in the Rural Housing Reconstruction Program. Evidence from other disasters suggests that the owner-driven reconstruction model is more likely to result in a higher number of safer houses for a larger percentage of the population as compared to NGOs or individuals building homes on behalf of people.

¹¹¹ See Chapter 4.1.

Case Study 3.2: Man Bahadur's struggle to rebuild

Man Bahadur Tamang, from Katunje VDC in Okhaldhunga, has rebuilt his house, but the process was not easy. For Man Bahadur, his was a story of *gunaso* (grievance).

After the earthquakes, Man Bahadur lived in a temporary shelter, like many others in the VDC. But the people in the shelter often got sick during the winter and monsoon and were unable to keep their food safe from dogs, cats and wild animals. "We lived in fear, fear of snakes, frogs, leeches. So, even if it meant going into debt, I was determined to rebuild my house as soon as possible." Man Bahadur wanted to begin rebuilding right away but said he was told to wait for the first installment of the housing cash grant. Immediately after receiving it, he began construction and he completed the house before receiving the subsequent installments of the housing grant.

Man Bahadur spent nearly five lakhs (NPR 500,000) on a two-room house. Firstly, he had to pay for the labor. Due to the shortage of construction workers in Okhaldhunga, Man Bahadur had to go far, to three different locations, in search of masons. Four masons and three construction laborers, each charging NPR 1,000 daily, worked on the house during the construction phase, alongside family members. In addition to their wages, he had to pay for three meals a day, alcohol and, twice a month, meat for the laborers.

Secondly, the cost of construction materials and the transportation of these materials to his house was high. The lack of road access to Man Bahadur's house meant that there were additional costs for carrying materials. Since the transportation of sand for cement and stones or bricks would have been too expensive, Man Bahadur decided to build a mud-mortar-wood house. Hiring a tractor to transport sand to the nearest road would have cost him at least NPR 6,000 and from there he would have had to hire porters to carry the sacks of sand one by one to his house, which is one day's walk from the road. But he still had to buy corrugated iron sheets for his roof, which cost him NPR 81,000 plus around NPR 5,000 to hire a vehicle and porters to transport the sheets up to his house.

Man Bahadur had to borrow around NPR 254,000 from family and friends to build his house. In addition, two of his sons who were working in India sent around NPR 200,000 and he also spent the NPR 50,000 first installment of the housing cash grant. Man Bahadur explained, "I still have some minor expenses now [such as a religious ceremony for the new house]. I have filled the form for the second installment, but I am not sure when I will receive it. Since I have completed my house, it would be easier for me if I received all the remaining installments in one go. I have run into debt."

For technical assistance, Man Bahadur had to actively seek out engineers and bring them to his house from far away. At first, Man Bahadur had to go to a settlement an hour's distance from his house to consult an engineer and bring him to his construction site. He showed the engineer his newly laid foundations and asked for advice on how to continue building. "After I consulted the engineer, I began constructing my house [...]. The engineer taught me how to use the 'safety lock'. [...] I have built a strong house now. I have used a total of five 'safety locks'."

During construction, Man Bahadur had to make corrections to qualify for further installments of the housing grant. At first, as he was building his wall, he was told by a technician that "everything was fine". However, when an engineer visited a few weeks later, he was told that he had to reduce the height of the walls. "I was raising the walls of my house, and I was told that the house had become too high. I had finished roofing within 18 days but the engineer asked me to reduce the height of the walls by one foot and it took me two days to demolish one foot of the walls. For this, I unnecessarily had to spend double."

In Man Bahadur's ward, 18 households had rebuilt, five had begun construction by laying the foundations, and 11 households had not yet started to rebuild. Observations suggested residents of Katunje VDC were rebuilding faster compared to other VDCs visited in Okhaldhunga.



Photo: Alok Pokharel

Okhaldhunga has not had the same level of urgency as in severely hit districts.¹¹²

“It was stupid to think that a natural disaster like an earthquake would follow the district map when striking,” said a journalist in Solukhumbu. People in those heavily hit pockets have reportedly received little assistance and continued to stay in very basic shelters. By April 2017, Solukhumbu, as part of the 17 less affected districts, had not yet received the first installment of the housing grant. Eligible beneficiaries in both districts were identified only in early 2017; much later than in the 14 highly affected priority districts.

Some people were not rebuilding because they were waiting for family members to return from abroad or from other places within Nepal to help or because they did not have time to spare for reconstruction.

This was often the case for households run by elderly members. For example, in Lisankhu VDC in Sindhupalchowk, most residents were elderly people while the younger generation was typically in Kathmandu or abroad. Many of these elderly individuals said that they were waiting for their sons and daughters to return before they started rebuilding. Pema, aged

74, said “I am old and can’t build a house. My sons are in Malaysia and in Kathmandu. I hope they will rebuild the house someday.” Similarly, Saili Lama said, “My son and daughters live in Kathmandu with their families. Only we two old people, husband and wife, live here in village. We can’t rebuild the house. We must make a house anyhow but let’s see what our son and daughter decide.” And Maili Tamang, aged 85, said, “There isn’t sufficient money at home to start rebuilding a house. My son is already 65 years old now ... My grandson said he is planning to start reconstruction next year. He is planning to go abroad [to earn money].”

Younger people were also struggling in the absence of other family members. This affected single women disproportionately. For example, Chinamaya, a single woman from Syaule VDC in Sindhupalchowk, said: “My husband passed away soon after the earthquake. I have spent the 50,000 [first installment of the housing cash grant] to make a stronger temporary shelter and now I have no money left. I don’t think I can rebuild the house.” Across VDCs, earthquake-affected people also said that they were too busy working to earn money and therefore did not have time to begin reconstruction. Ram Bahadur Lama, age 49, a stone-breaker from Lisankhu VDC in Sindhupalchowk, said, “There is no-one at home, only we husband and wife live here. I think I will start building a house only in winter next year, as I am busy now. There is a lot of demand for stones now.” A man in Katunje VDC in Okhaldhunga said, “The construction of my house got delayed because I spent time constructing other’s houses ... There is a shortage of laborers, and I need to take work to save money.”

¹¹² Solukhumbu has received much aid from individual donors but severely hit pockets in remote areas of eastern and western Solukhumbu continue to be left without assistance. Okhaldhunga, too, received relatively little aid. People in remote areas in Okhaldhunga similarly struggled to access aid and construction materials and labor to rebuild. For more on the lack of aid to Solukhumbu and Okhaldhunga, see the IRM-2 qualitative report.

Case Study 3.3: A single woman unable to rebuild

Khayuri is a 50-year-old single woman from Baruwa VDC in Sindhupalchowk. Her husband went to India more than 15 years ago and never came back. Her house was completely damaged during the earthquake. She owns some land but says she cannot rebuild, as she has neither money nor the help needed for construction.

“I have a wish to build a house, but I will need a loan and who will believe me? I am alone, I don’t have a son or husband so no-one will give me a loan.” Khayuri has a daughter but they live separately and she says that her daughter cannot help her to build a new house.

Khyauri received the first installment of the housing reconstruction cash grant but is currently unable to use it. She said it took her a whole day to go to the bank in Melamchi and receive the amount in her bank account. “I have not even brought the cash home,” she added, “it is in the bank. I can’t build the house now so it is of no use bringing the money here. I plan to use it sometime later to rebuild the house when I can manage.”

Having the financial capacity to rebuild was a crucial factor for households deciding whether and when to rebuild their homes. However, some were willing or forced to rebuild at any cost—often going into high debt—while others preferred a “wait and see” approach.

Households from a displaced settlement in Prapcha VDC, Okhaldhunga, who were still waiting for decisions on their status and resettlement plans, decided to rebuild anyway. One displaced Prapcha resident said, “We are forced to start building houses on our own because the government has not been able to solve our resettlement.” Since they could not return to their original settlement, which was now unsafe, many of the displaced in Prapcha had to borrow large sums to purchase land and rebuild elsewhere (see Case Study 3.5). Similarly, rebuilding in a ward in Katunje VDC had proceeded relatively fast despite this being a remote ward. Most affected households in the ward decided to take loans and rebuild because of difficulties they faced living in temporary shelters. In other areas, high levels of damage and need for new houses did not result in faster reconstruction. There were several severely hit wards in Sindhupalchowk or Gorkha where the pace of reconstruction remained slow.

Many households decided not to rebuild for the time being because they were either busy working or were unsure whether they would manage to rebuild with the resources available to them. Some households wanted to see first if their neighbors would receive the full cash grant amount and be able to rebuild before starting rebuilding themselves. For example, Nanu Tamang in Sindhupalchowk thought, “We want to see first how others are rebuilding so we can grab ideas.

Also, now, the monsoon is approaching and we will be busy farming. We need to eat. Most probably we will start [rebuilding] next year.” Other households said that they were in no hurry as they planned to take several years to rebuild. Hela Tamang from Syaule VDC, Sindhupalchowk, said, “I hear people say that we have at least five years to rebuild our houses, so I am planning to start next year. This year I am a bit busy working on other people’s construction sites.” Similarly, Dorje Tamang from Baruwa VDC in Sindhupalchowk, said, “there is no money in my pocket but three years still remain [to rebuild]. I will build slowly.”¹¹³

As highlighted in previous IRM reports, poor and marginalized groups are slower to rebuild than others.

Dalits, in particular, have faced great difficulties. In Prapcha VDC in Okhaldhunga, and Barpak VDC in Gorkha, displaced Dalits continued to be more likely to face discrimination and uncertainty about where to live in the long term.¹¹⁴ In Prapcha VDC, some of the displaced Dalit households were able to purchase new land, mostly by taking large loans, while others remained displaced or returned to unsafe land. In Barpak, the displaced Dalit community continued to

¹¹³ In terms of the Rural Housing Reconstruction Program, the NRA has set deadlines for earthquake victims to receive all grants for the reconstruction of private homes within the fiscal year 2017/18 (which ends in mid-July 2018), reportedly in order to speed up reconstruction (see Chapter 2).

¹¹⁴ For further information on Dalits in Prapcha VDC see the IRM-3 qualitative report, Case Study 5.1.

stay in shelters, as they had to wait for decisions to be made on where they should resettle. Dalit activists in Barpak pointed out that even those who had land found it difficult to rebuild as they struggled to find the additional financial resources needed for construction. Similarly, in Baruneshwor VDC, Okhaldhunga, Dalits found it difficult to raise additional funds to begin reconstruction, as they were unable to lay the foundation of their new houses with only the first installment of the cash grant.

In Dudhkunda VDC in Solukhumbu, many households were able to rebuild with cash from their income and savings. Dalit households, however, had generally not yet rebuilt. When they had rebuilt it was through taking on high levels of debt. Even in Nele VDC, Solukhumbu, where an individual donor helped affected households rebuild, Dalits were struggling as their debt burdens had increased after borrowing large

sums for rebuilding. In Lisankhu VDC in Sindhupalchowk, on the other hand, Dalits were mostly left out of the eligible beneficiary list and remained unsure whether their grievance forms would enable them to eventually join the list.

Other marginalized communities were also slower to rebuild. Since access to financial resources was a major factor in determining whether affected households could rebuild, poorer *Janajati* communities, especially those in remote areas, were generally recovering more slowly than better-off families in district headquarters or in other hubs such as bazaar (market) areas. For example, in Tanglichowk VDC in Gorkha, the local Chepang community was recovering more slowly compared to other groups due to their limited sources of income. However, rebuilding rates did not strictly follow ethnic lines and, in some areas, *Janajati* communities were faster to rebuild than others. For example, in

Case Study 3.4: Dalits' exclusion from community forests adds to their reconstruction challenges, Solukhumbu

Most of the 34 Dalit families in ward 4 of Dudhkunda VDC (Phaplu), Solukhumbu, did not have access to the community forest. A local Dalit community organizer estimated that around 150 households in the ward were excluded from the Community Forest User Group (CFUG). While non-Dalit households, mostly Sherpas and Tamangs, are among the excluded households, only about five Dalit families were included in user group.

The consequences of this exclusion are being felt severely by Dalit households during reconstruction. The CFUG guarantees its members a certain amount of fodder and firewood, and members can cut restricted amounts of wood from designated areas of the forest for private, and non-commercial purposes. For rebuilding, the Dalit households whose homes were damaged will need wood, which they will have to buy at higher market prices than CFUG members. The CFUG members only have to pay wages for labor to cut the wood and transport it, while non-members have to buy the wood at market prices. The difference in price between cutting wood through the CFUG and buying it at market prices was significant: a piece of wood which would cost NPR 200 to cut in the forest costs about NPR 500 in the market plus transportation costs.

All of the Dalit households in the ward had not yet rebuilt and continued to live in damaged houses with only minor repairs or in semi-permanent shelters. The Dalit households had hoped to finally start rebuilding after receiving the first installment of the NPR 300,000 reconstruction cash grant. However, according to local estimates, the minimum wood required for a simple house would be around NPR 300,000 at market prices. This meant that the Dalit households, the majority of whom have small landholdings and meager sources of income, will need to go into debt in order to pay for additional reconstruction costs.

According to the local Dalit community organizer, Dalits have tried to enter the CFUG but were repeatedly denied entry. The organizer said, "they say they can renew membership every six years, but they have not allowed us by saying they cannot accommodate more as the forest can't sustain the needs of more people." The price for late entry into the user group can be as high as NPR 150,000, he explained, but "even people who were willing to pay the amount have not been allowed in." The excluded households lodged complaints at the District Forest Office, as the Forest Act requires consumer groups to be inclusive, but the Office has reportedly failed to take action so far.

Syaule VDC in Sindhupalchowk, the Tamang community was supporting each other during reconstruction through labor sharing and was rebuilding comparatively

fast. In and around the district headquarters and tourist areas in Solukhumbu, Sherpa households had also already rebuilt or repaired their houses.

3.2 Temporary shelter

Most earthquake victims whose houses were majorly damaged or fully destroyed during the earthquakes continued to stay in temporary shelters.

As discussed above, very few earthquake victims had fully rebuilt at the time of research. Most affected households continued to stay in shelters. In all 18 wards visited in Gorkha, Sindhupalchowk and Okhaldhunga, there were still people living in shelters. Out of these 18 wards, 14 still had large numbers—many to most of the ward residents—living in temporary shelters. The other four wards had fewer people living in shelters, primarily because fewer houses had been fully destroyed. In the six wards visited in Solukhumbu, only one Dalit household continued to stay in a shelter while all other affected households had moved back to their houses after repairs or rebuilding.¹¹⁵

Nearly all of the temporary shelters were self-constructed individual shelters built from bamboo, wood and CGI. Few changes or improvements were made to shelters between September 2016 (IRM-3) and April 2017 (IRM-4).

People preferred to live in individual shelters that they had built themselves, generally on their own land (if they owned land and had enough space). These were semi-permanent structures, sometimes called a ‘cottage’, using the same material across all districts: mostly wood, bamboo and CGI sheets. The shelters tended to use a wooden frame, bamboo or CGI walls and CGI roofs. A few households also used stones and mud-mortar for the walls. Such structures were found in all wards visited in Gorkha, Sindhupalchowk and Okhaldhunga. In the two wards of Katunje VDC in Okhaldhunga, several households were still staying in improvised temporary shelters made from bamboo

and tarpaulin. However, the number of such shelters had decreased compared to previous research rounds as some had improved their shelters while others had rebuilt their houses. In Tanglichowk VDC, Gorkha, some households were living in ‘tunnel houses’ made primarily from CGI.

Over the four research rounds, improvements to shelter were observed. Affected households had often spent large sums on building semi-permanent shelters. A resident in Baruwa VDC, Sindhupalchowk, said, “more than one lakh [NPR 100,000] was spent on making this temporary cottage. Now the government gives fifty thousand and says to rebuild the house. How to rebuild with just fifty thousand?” It generally seemed that most people would stay in their shelters until rebuilding. After IRM-3, however, most people had made no or only minor changes to their shelter. For example, in Katunje VDC, some of those who previously stayed in tarpaulin-bamboo shelters had now covered these with CGI roofs. Nevertheless, there were some examples in VDCs of households spending money to extend their shelter or make it significantly sturdier as they intended to continue living there for the longer term. Sometimes individuals also used the first installment of the housing cash grant to pay for it.

Life in semi-permanent and temporary shelters continued to be difficult for people, who generally deemed them unsuitable for longer-term living.

Those staying in shelters reported feeling uncomfortable due to the lack of space, and poor protection from weather, insects and animals, as well as safety concerns about the structures. “There was a two-storied house before earthquake. It was safe and strong. This temporary shelter seems to be blown away by the wind. Our life is full of pain now. We don’t even have a safe place to have a sound sleep at night,” said Indra Bahadur Shrestha, from Syaule VDC, Sindhupalchowk. Ram Bahadur Lama from Lisankhu VDC in the same district said, “We had a house where we could sit and eat with pleasure, now we have no house. The earthquake ruined everything.”

Many individuals felt stuck in shelters due to the lack of money to rebuild: “If we had money why would we live in this cottage?” asked Dhyani Kumari Sundas

¹¹⁵ There were still many people staying in temporary shelters in other VDCs in Solukhumbu, especially in the western part of the district in heavily hit remote areas bordering Ramechhap and Dolakha districts.

from Sindhupalchowk. This was especially true for displaced households. A displaced woman in Barpak, Gorkha said, “we have nowhere to go to build a house. We are staying in a temporary shelter made on public land. Life is very tough there”.

As reported in previous research rounds, some of those who found life in shelters too difficult decided to risk moving back into their damaged houses. Chinimaya Lama in Lisankhu VDC, Sindhupalchowk was one of those. She said “no matter if I die, I will sleep inside the house; it is too difficult in the ‘cottage’ because of cold and wind.” Yet, other individuals who found shelter conditions unbearable decided to rebuild as fast as possible even if it meant higher costs and debts (see Case Study 3.2).

People continued to live in partially repaired and potentially unsafe houses in all VDCs where some houses had remained standing. However, movement between shelters and partially damaged houses had decreased compared to previous research rounds.¹¹⁶ Only in one VDC, Tanglichowk in Gorkha, had additional people moved back to their damaged houses after some repairs. It continued to be common, however, to use partially damaged houses to store grains, firewood and to cook in, while continuing to sleep at night in shelters. In these cases, people had often reduced their damaged houses to one floor and turned the house into a shed.

None of the community shelters were in use, as they were deemed unfit for living.

In the VDCs visited, community shelters were either no longer in use or had never been inhabited. Community shelters were deemed impractical as they were often too small to house a whole family and also too small to leave enough room to store grain, grass and accommodate cattle. People therefore preferred to stay in individual shelters closer to their damaged homes. Households who were displaced also preferred to stay in self-constructed shelters on public rented land, and some were resettled inside government buildings.

There had been one community shelter inhabited by displaced Dalits during IRM-1 (June 2015) in Prapcha VDC, Okhaldhunga. Displaced Brahmins were offered to stay there too but refused to share the space with Dalits. After IRM-2 (February-March 2016), a storm damaged the shelter. In addition, tensions with local, predominantly upper caste residents, pushed the displaced Dalits to leave the shelter and return to their previous land. The shelter has been vacant since then.¹¹⁷ Elsewhere in Okhaldhunga, there were community shelters in five VDCs, Baruneshwor, Harkapur, Khanibhanjyang, Khijiphalate and Fulwari, but all were uninhabited and too small for family living. In Gorkha, two community shelters were found in Barpak but were equally impractical in design, so the district administration did not want to use them.

3.3 Displacement

Status of the displaced

As predicted in IRM-3, the overall number of displaced households has continued to decrease, with people moving back to their previous land or buying new land.

In ward 2 of Barpak VDC, Gorkha, there were 40 displaced households in IRM-3, but only 25 or 26 displaced households by IRM-4 in April 2017. In Prapcha VDC, Okhaldhunga, the number had decreased from 48 to 20-25 households, and in Sindhupalchowk it had decreased in Syaule VDC from 22 households to none, and from seven to two households in Lisankhu VDC. Some households were buying new land within their VDC, generally in the places that they had been temporarily staying in, as was the case in Prapcha (see Case Study 3.5). Other households were returning

to their previous settlements as a number of factors pushed them to leave their temporary settlements, despite the safety of their previous settlements not being assured (in Prapcha VDC, Okhaldhunga and in Syaule VDC, Sindhupalchowk).

Displaced households continued to face uncertainty and remained vulnerable, as in previous research rounds. They took the risks of moving back to unsafe land or buying new land by taking large loans because they, typically, felt abandoned by the authorities.

Displaced households had received little to no help from the government, and were often led to move again out of frustration, having given up hope of

¹¹⁶ For more on movement to partially damaged houses and back to shelters see the IRM-3 qualitative report, pp. 55-57.

¹¹⁷ See details of the conflict in the IRM-3 qualitative report, p. 45.

Case Study 3.5: The precariousness of displaced Dalit families in Prapcha VDC, Okhaldhunga

In IRM-3 more than 15 Dalit households displaced by the earthquake from Prapcha-8, Keureni Hill, were living within one kilometer of their original settlement in Dahalgaun and renting land belonging to upper castes. As of IRM-4, these displaced Dalit families had received the first housing cash grant installment of NPR 50,000 but, as the ward had been declared unsafe by the geological assessment team, they did not have land onto which to build their houses. The resettlement issues facing these displaced families had not been addressed by the government or district authorities by April 2017.

As a result of the government inaction, the displaced households took matters into their own hands and took out loans or borrowed money in order to buy land. About eight families purchased the land that they had been renting in Dahalgaun and started building houses. They did so by borrowing money from family members or local moneylenders. For example, Indra, a 28-year-old Dalit man from that settlement, borrowed a total of NPR 350,000 from his sister, other relatives and local upper caste moneylenders at 2 percent interest. Govinda, 43 years old, said that his loan to build a house had doubled from NPR 200,000 to more than NPR 400,000 over the previous six months (from late 2016 to early 2017).

Another five Dalit families moved back to their original settlement and started building houses, against advice from the district authorities. Thirty-year-old Menuka said that her family was not in a position to purchase land in Dahalgaun but continued living on a small patch of

land rented for NPR 3,000 a year. Menuka had already started building a house on her original settlement, even though the VDC technical assistant and engineer had advised her against it. Facing a dilemma, she said, “if we don’t build a house we don’t have a place to stay, but if we build here, we are told that we won’t get the next installments.”

Those displaced families who had started rebuilding their houses had not received technical support from NRA engineers. An assistant sub-engineer who was deployed by the Red Cross to provide technical assistance in the VDC said “we initially discouraged them from building houses, but when they were determined to build, we suggested they at least follow NRA guidelines so that they would have a chance of getting the second and third installments of the reconstruction cash grant.” However, an NRA engineer based in Prapcha explained that they could not provide families with technical support as the government had not identified the area as safe. This will most likely mean that those families will not rebuild according to the national building code and design catalogue suggestions. As a result, the families will not receive the second and third installment of the cash grant (unless, after they fail, they complete correction orders issued by NRA engineers) and will have to borrow extra money to complete their houses. In addition, they will continue to live on unsafe land.

Note: This is a follow-up to case studies from previous research rounds. See, Case Studies 5.1 and 7.3 in the IRM-3 qualitative report.

receiving assistance, or because social tensions with their neighbors in temporary settlements proved too great. As a result, although the number of displaced had reduced, the formerly displaced remained highly vulnerable, either back on unsafe land, unwelcome in temporary settlements or indebted. For example, in Barpak VDC, Gorkha, the number of displaced households had gone down by about 10 percent since IRM-3 as some families had moved back to their previous settlement and rebuilt permanent or semi-permanent structures using CGI sheets, wood and stone. Decisions about moving again were taken despite

the known risk of landslides as people had lost hope that the government would provide them with any support.¹¹⁸ A Dalit social activist in Barpak said, “the President of Nepal, the Prime Minister, the CDO and the LDO have all visited the VDC, but the displaced are still facing problems.”

¹¹⁸ See Chapter 2.3 for recent developments in NRA policies for displaced earthquake victims.

In Prapcha VDC, too, some displaced households were forced to return to at-risk land (see Case Study 3.5). All displaced households in this VDC had received the first installment of the housing cash grant, but as their ward had been declared unsafe by geological assessment teams and the authorities had not yet helped them resettle, they did not know where to rebuild. Some households continued staying in shelters, others started rebuilding on their unsafe land, and some bought land with money borrowed from relatives and local moneylenders.

Communal tensions between displaced households and the local community also led the displaced to find alternative arrangements for themselves.

Conflicts around water that were previously observed in Prapcha VDC, Okhaldhunga, between displaced Dalits and the local community, were still not resolved, despite the water sources having recently been repaired.¹¹⁹ In Syaule VDC, Sindhupalchowk, the land that had been occupied by displaced households had since been vacated following the culmination of tensions that have been reported since IRM-2.¹²⁰ Of the 22 displaced households living in this VDC, three households stayed on private land and 19 stayed on community forest land, leading the local community to pressure the displaced households to move. Between IRM-3 and IRM-4, the landowner destroyed the temporary shelters of three households living on his private land, forcing the displaced households to return to their original settlement in December 2016. Bal Kumari Khatri, a displaced man who had stayed in Nayabasti (new settlement) where the displaced households had settled, said they had been told to leave as the landlord was planning to sell the land. However, by IRM-4 the land had still not been sold. He said “the neighbors conspired to chase us away.” After this event, all the displaced households returned to their original settlement. As a result, there were no more displaced households in Syaule in IRM-4. However, those previously displaced remained among the most vulnerable as they now lived on unsafe land. One man complained, “our village is at high risk of landslides. We are afraid, but we have no choice but to live here. We have no place to go if there is another earthquake.”

Geological assessments and resettlement

At the VDC and ward level, information about geological assessments had not been communicated to households displaced due to unsafe land. Displaced households still did not know whether their land was safe to return to or not. District officials also had little information about recent geological assessments.

Bal Kumari Khatri of Syaule VDC, Sindhupalchowk, complained: “the VDC Secretary has only come once to see us. No-one has come to inspect our land or to understand why we left it.” This does not necessarily mean that the assessments have not happened, but information about the results of geological assessments and next steps had not been communicated to concerned individuals. This lack of communication was already noted in IRM-2, when in four out of 18 VDCs visited respondents reported that geological assessments had taken place in June 2015 but that no results of the reports had been shared with locals.¹²¹ As a result, displaced families did not know whether they could return to their previous settlement or whether they should wait to be resettled elsewhere.¹²² Other than in Okhaldhunga, district officials had little to no information about geological assessments having taken place over the last year; most assumed that they had not happened.¹²³

Few steps had been taken to resettle the displaced and address their vulnerability.

By April 2017 most displaced households had not yet received special assistance or information on possible next steps. Most households had not been proposed resettlement solutions and where they had the solutions were deemed to be inadequate. In Gorkha, the CDO claimed that displaced households in Bagura, Kerauja and Laprak VDCs were in the process of being resettled with the assistance of district officials. The only area of concern was Kerauja, which had been identified as a possible site of landslides even before the 2015 earthquakes. Households displaced in other VDCs in Gorkha, however, were left to plan their own resettlement or reconstruction, as the district did not have the capacity to address their needs. In the VDCs

¹¹⁹ For more information on this conflict, see Case Study 5.1 in the IRM-3 qualitative report.

¹²⁰ The conflict revolved around the fact that the local community found it unfair that the displaced should be allowed to settle on valuable commercial land closer to the roads or on the community forest land. See, the IRM-2 qualitative report, p. 44.

¹²¹ See the IRM-2 qualitative report, p. 15.

¹²² See Chapter 2.3 for details of geological assessments and recent developments in NRA policies for displaced earthquake victims.

¹²³ The NRA identified 136 settlements as being at risk of another disaster and in need of relocation through a third major geological assessment in late 2016, completed with donor support. This assessment took place in more than 500 locations across 15 earthquake-affected districts.

visited, this was the case for 20 displaced households in Dhuwakot VDC and 40 percent of houses in Barpak VDC, which had also been displaced. Displaced Dalits in Barpak had not officially been recognized as being displaced by local authorities. However, they did not wish to return to their previous settlement, where cracks had appeared since the earthquake, and they were hoping to be resettled somewhere safer. Since IRM-3, the government has made plans to construct an earthquake memorial park in ward 5 of Barpak. Because of this planned memorial, those who had been displaced from that ward could not move back. They had been promised a piece of government land in return, but had yet to receive anything.

Despite the fact that displaced households were gradually returning to their land or buying new land, the need for more assistance and permanent solutions for displaced households remained as they continued to be vulnerable. This was particularly the case during the monsoon as displaced households who had returned to their previous settlements were at higher risk of landslides.

When resettlement solutions were offered by district offices, these were often deemed unsuitable.

Although the central level authorities had, by April 2017, given no instructions on resettlement, local authorities had proposed solutions for some resettled households in Sindhupalchowk, Gorkha and Okhaldhunga. However, displaced households saw these as inadequate. The LDO in Sindhupalchowk claimed that 80 out of 90 households were ready to hand over their unsafe land to the government in exchange for a new settlement but were asking for land closer to the forest. The LDO explained that in Baguwa VDC, the resettlement process was almost complete, but they were waiting for permission from the Department of Forests, as they were to be resettled on government forest land. Similarly in Gorkha, the district authorities claimed that in Dhuwakot VDC the displaced expressed no desire to rebuild in their previous settlement and would rather be closer to roads and markets for better employment opportunities. In Okhaldhunga, in contrast, the CDO believed that the displaced were reluctant to leave the land that they occupied before the earthquakes. These claims were not corroborated in interviews with displaced respondents in the VDCs visited, who seemed anxious to find permanent living situations.

3.4 Reconstruction of infrastructure

Some progress in the reconstruction of infrastructure was observed but construction was often slow. Much of the infrastructure in places visited had yet to be fully repaired or rebuilt.

The types of infrastructure most commonly damaged across VDCs visited were schools, health posts and hospitals, police posts, water sources and irrigation channels, VDC offices or other government offices such as post offices, meeting halls and agriculture and livestock/veterinary and forestry offices.¹²⁴ Where present, district offices, community centers and local electricity and hydropower structures were often damaged. Some mobile phone towers and roads were also affected, although less frequently in the VDCs visited.

Nine of twelve VDCs visited had seen some progress in the reconstruction of infrastructure since IRM-3. In three VDCs, all in Okhaldhunga, very little progress had been made and no new structures had been

repaired by IRM-4, although the bidding process and budget allocation for several projects had reportedly been completed. Yet, across VDCs, repairs to or rebuilding of at least half of the damaged infrastructure had yet to be completed. At the ward level, progress was as follows: in five of 24 wards visited, noticeable progress had been made in IRM-4. In four wards, the infrastructure had already been repaired or rebuilt by IRM-3. In eight wards, work on some of the local infrastructure was ongoing in IRM-4 but was slow with no new structures having been completed between IRM-3 and IRM-4. In six wards, there was no progress at all and one ward did not have any local infrastructure.

Rebuilding was faster in the education and health sectors.

Schools and health posts or hospitals were being rebuilt faster than other infrastructure, partly because the education and health sectors received more support from donors, UN agencies and I/NGOs in all of the districts visited. Respondents said that better coordination in these sectors also helped. In Gorkha, coordination in the education sector between the District Education Office and other stakeholders was

¹²⁴ See Chapter 2.1 for more in the reconstruction of infrastructure in all earthquake-affected districts.

reported to have been good. However, most schools had yet to be rebuilt and in the meantime were operating in temporary structures (Temporary Learning Centers – TLCs).¹²⁵ While classes were reported to run normally, the merging of schools, which has been common after the earthquakes, and the lack of protection from hot and cold weather in TLCs was reported to have affected pupil's learning in at least two VDCs. Many local health posts were also located in pre-fabricated buildings that had been constructed with I/NGO support shortly after the earthquakes.

A lack of resources and poor coordination has hampered infrastructure reconstruction.

Sufficient resources to finance the reconstruction of local infrastructure were lacking in all of the VDCs visited. Local government officers and VDC Secretaries as well as residents consistently raised this issue. Most infrastructure repairs had been completed with I/NGO, donor, UN agency or individual support but large gaps in budgets had yet to be filled. Some VDCs had large budget gaps, particularly in Okhaldhunga. In Katunje VDC, WCF members in ward 4 demanded that more budget be allocated for infrastructure: “one school building, water sources, water tanks [...] have

been damaged by the earthquake. No repairs have yet been done. We had demanded the budget for repairs through the WCF but now the issue got lost.” People in Dhuwakot and Tanglichowk VDCs in Gorkha also complained that high-profile VDCs such as Barpak received all the funds for VDCs. A teacher in Dhuwakot said, “our school is still being repaired because we lack sufficient amounts for the reconstruction of the school, we are not able to finish reconstruction of the school in time.”

Similar to housing reconstruction, infrastructure reconstruction was also affected by a lack of clarity on the decision-making powers of district offices and their relationship with the NRA. With the large number of line agencies involved in the reconstruction of infrastructure the lack of clarity is likely to cause further delays if it remains unaddressed. Additionally, the same challenges of road access, high costs for materials, transportation and labor, and shortages of laborers were delaying infrastructure reconstruction. In some instances, infrastructure reconstruction projects were delayed because no new land could be identified to rebuild on, as occurred for the proposed rebuilding of schools and a police post in Barpak.

3.5 Social relations, conflict, and psychosocial wellbeing

The security situation was stable in areas visited and no major new conflicts were reported. Social relations also remained unchanged.

No new conflicts, human rights violations or security concerns were reported in the research areas. Residents said that the security situation was stable in all of the VDCs visited. However, many conflicts over water and between displaced households and local communities reported in previous rounds had not been resolved. Domestic violence and alcohol-related disputes also continued to be relatively common. Overall, social relations remained unchanged in the VDCs visited.

The majority of earthquake-affected people interviewed were struggling economically and psychologically due to the financial burden of having to rebuild and recover their livelihoods but things had somewhat improved.

Despite the range of ongoing economic, livelihood, financial and housing challenges, discussed throughout this report, the majority of respondents thought that

the impact of the earthquakes were felt most acutely shortly after the earthquakes and that, by April 2017, life had since returned to relative normality. Respondents mentioned psychological impacts and the need for support going beyond cash and material items less frequently than in previous research rounds. It is possible that many respondents were simply keen to return to normal or did not want to complain. As a woman in Barpak VDC, Gorkha, said, “life has been very difficult. But it is not only me who is affected. So we spent time and time is healing us.” The findings in this report show that the loss of homes, family members and friends, and the stress of living in temporary shelters for over two years while trying to rebuild continues to take a toll on affected households.

¹²⁵ In Gorkha, at the time of research, 65 of 443 schools had been rebuilt, 151 were under construction and resources for rebuilding another 75 had been assured. In Sindhupalchowk, 43 of 530 damaged schools had been rebuilt by non-government organizations, 387 schools were under construction and work on another 100 schools had yet to begin. The government was reportedly supporting the construction of 467 rooms in 104 schools (all figures collected from local sources in Gorkha).

Chapter 4

Aid Delivery and Effectiveness



Photo: Alok Pokharel

Key Findings:

Volumes and types of aid

- Besides the government housing cash grant program, volumes of aid continued to decline.
- Most aid provided by I/NGOs took the form of technical assistance to the housing program. This largely involved masonry training rather than other elements of the technical assistance package. District authorities and others often wanted I/NGOs to provide more 'hardware' assistance.
- Some I/NGOs did not follow government advice and distributed cash grants.
- Areas closer to roads and markets continued to receive more aid than more remote areas and were recovering more quickly.

Needs

- There was consensus that housing reconstruction, and cash grants to support this, were the most important current needs. Other needs identified included improving roads and repairing water infrastructure.
- People did not feel that authorities heard their needs and felt they were not involved in decision-making processes.
- Livelihoods support from I/NGOs continued to be uncoordinated.
- People had challenges accessing assistance from engineers and there was a shortage of masons, despite training programs.

Satisfaction with aid and aid providers

- People were generally satisfied with the aid they received, except in Solukhumbu where the housing cash grant program had not begun. Where people were dissatisfied, it related to either perceived unfair aid provision or to the housing grant program.
- Perceptions of aid delivery by I/NGOs had improved whereas people were more cynical than before about aid provided by the government.

The housing reconstruction cash grant

- Satisfaction with the cash grant program improved after the first tranche of funds was disbursed. Those unable to build, because the grant was not enough or because they felt they were unfairly excluded, were more likely to be dissatisfied.
- There was widespread uncertainty about who will qualify for future tranches of funds.
- The distribution of the first tranche went fairly smoothly. But people had difficulties accessing banks, especially in remote areas.
- Those wrongly excluded from beneficiary lists had not yet received the first tranche. Mistakes in beneficiary lists and cash grant agreements prevented some from withdrawing the first tranche from the bank. Access to the money was often complicated for those trying to receive the cash on behalf of a listed beneficiary.

- Most people planned to use the grant to rebuild their homes. A smaller number were using it for other purposes.
- Grievance mechanisms at the local level were not working. Many complaints were passed back from the NRA to districts and some were lost. People did not know the results of the complaints process and people preferred that complaints be addressed locally.
- Gaps in technical assistance remained with engineer positions vacant. Coordination between government and non-government engineers was uneven. People had not received technical advice on retrofitting.
- There was confusion about what building designs are acceptable and people had sometimes been given contradictory advice. People often felt that mandated building designs were too expensive or did not fit with their needs.

4.1 Volumes and types of aid

According to respondents, there was a reduction in the volume and types of aid provided apart from the government housing cash grants.

There was, however, variation between areas in the amount of aid provided. Gorkha still receiving the highest number and biggest variety of programs. In Gorkha, 22 institutions provided aid at the district level compared to six in Okhaldhunga and 12 in Sindhupalchowk. The data for the number of I/NGOs registered in Solukhumbu was out of date, but only one NGO was seen as active in the district since IRM-3. Solukhumbu saw one of the highest rates of reconstruction of private houses overall,¹²⁶ mainly thanks to individual cash donations and personal investments. As this reconstruction would often bypass local authorities and was carried out informally, it is hard to estimate the number of such schemes.

VDCs had on average none to three I/NGOs providing some form of assistance, with Barpak in Gorkha recording the highest number with ten I/NGOs providing a range of programs. Respondents stated that there were also fewer types of aid than in IRM-3, with I/NGOs mainly concentrating on masonry training and technical assistance to aid reconstruction. There was no psychosocial counseling, and even less material aid compared to IRM-3. This included solar panels in Lisankhu and Katunje, goats in Prapcha and reconstruction toolkits to some masons in Gorkha. Unlike in IRM-3, there was very little provision of livelihood support or material aid by the government in any of the districts visited, except in one case in Solukhumbu.¹²⁷

Most of the aid provided by I/NGOs to support reconstruction was technical assistance. However, this was primarily masonry training and not other elements of the technical assistance package.

Many I/NGOs were providing more technical assistance as per the request of the NRA. However, this tended to be mainly masonry training. In Gorkha, organizations such as CARE Nepal and Catholic Relief Services were providing skilled masonry trainings and homeowner trainings. One of the few active NGOs in Okhaldhunga conducted masonry training for 760 individuals. This included a 50-day training to 60 masons in Prapcha VDC. All 13 NGOs registered in Sindhupalchowk were providing masonry training. According to district officials, trainings had been held in 65 VDCs for 6,832 individuals in the district in the past two years. In Baruwā VDC, one INGO trained 84 new masons. The overwhelming focus on masonry training as part of technical assistance has been criticized by HRRP. Evidence from HRRP suggests that masonry training has little or no impact on household reconstruction if not carried out in conjunction with other activities in the technical assistance package.¹²⁸ In Gorkha and Sindhupalchowk, international aid providers, primarily JICA, were also involved in training engineers

I/NGOs continued to support reconstruction directly by building back houses or public infrastructure. This was despite repeated NRA calls for I/NGOs to redirect their programs towards technical assistance.¹²⁹ Programs in Gorkha included one INGO, which was rebuilding 274 houses. Other I/NGOs, mostly in Gorkha, were involved in the reconstruction of

¹²⁶ For more details on high rebuilding rates in Solukhumbu, see the IRM-4 quantitative report.

¹²⁷ More details on aid distributed in the previous round of research can be found in the IRM-3 qualitative report, pp. 19-21.

¹²⁸ For evidence on masonry training see HRRP Weekly Bulletin, September 4, 2017. http://www.hrrpnepal.org/upload/resources/sqifkegpltow96F3VRTP_2017_09_04.pdf

¹²⁹ I/NGOs also face constraints in modifying their programs. See the IRM-3 qualitative report, pp. 10-16.

Box 4.1: Findings from IRM-1 (June 2015), IRM-2 (February–March 2016) and IRM-3 (September 2016) on aid delivery and effectiveness

Delays in implementing the Rural Housing Reconstruction Program have resulted in long periods of waiting for reconstruction for many earthquake-affected households. Reconstruction of households has been consistently cited as the most urgent need of affected households. However, delays in the establishment of the National Reconstruction Authority (IRM-1 and 2), delays in carrying out multiple damage assessments (see IRM-1, 2 and 3) and the long wait for grievances to be addressed (IRM-3) have all caused frustration among affected households. The wait has been lengthened for eligible households in the 17 less affected districts (IRM-2 and 3), where the CBS damage assessment had just started in late 2016 (IRM-3). The delays led to frustrations with local officials as many households stayed in temporary shelters (IRM-2) while some households started to build back on their own, without reconstruction grants or technical assistance, and often without using earthquake-safe measures (IRM-3).

Unclear policies and a lack of communication increased dissatisfaction with both the government and I/NGOs among earthquake-affected households. A lack of systematic two-way communication between local and central government resulted in limited awareness at the central level about local needs and confusion about reconstruction policies at the local level, including among government officials and affected households (IRM-1, 2 and 3). For earthquake-affected households, the lack of clarity on policies and assistance resulted in misinformation, rumors and dissatisfaction with government and I/NGO aid provision. Households were angry about their lack of understanding of the criteria for inclusion on beneficiary lists, perceived mistakes in the damage classification of houses, mistakes made in beneficiary lists and perceived manipulation by political parties and leaders, all of which led to discontent and sometimes protests (IRM-1, 2 and 3).

Poor coordination between I/NGOs, local and central government offices added to delays and frustration among earthquake-affected households. In

IRM-1, existing government mechanisms—District Disaster Relief Committees (DDRCs) and Relief Distribution Committees (RDCs)—were activated and played an important and often useful role at the local level. In these early months, aid was generally targeted through government coordination mechanisms. This worked fairly well, although there were complaints about I/NGOs bypassing these mechanisms and a lack of complaints mechanisms caused problems. By IRM-2, DDRCs had largely become inactive with different districts seeing different combinations of actors fill the gap. Throughout the post-earthquake period there was confusion and uncertainty about how local government bodies should coordinate with the NRA and line ministries at the district and VDC level (IRM-1, 2 and 3). Delays in establishing sub-regional NRA offices in earthquake-affected districts further added to frustrations (IRM-3).

Government aid has primarily focused on the provision of reconstruction cash grants rather than issues beyond housing reconstruction, such as livelihoods needs. Initial aid after the earthquakes focused on emergency food relief and emergency shelter such as tarps and CGI sheets. Although food and emergency shelter relief was widely distributed, the amounts were often considered inadequate by the affected and the distribution was uncoordinated and uneven in many places (IRM-1). When IRM-2 was conducted, almost one year after the earthquakes, some emergency shelter aid continued but the focus of the government was on providing small cash grants aimed at helping people cope with the winter. After IRM-1, and the end of the emergency phase, the volume of aid from the government declined markedly to focus almost entirely on the housing grant (IRM-2).

After IRM-2, I/NGO aid also declined, focusing, following government guidance, on technical assistance to support housing reconstruction (IRM-3). The focus on reconstructing private homes has limited understanding of local needs and priorities, including the need for livelihoods support, geological surveys, greater attention to remote areas or the long-term needs of displaced households (IRM-2 and 3).

public infrastructure such as health posts, VDC offices, schools and irrigation canals. The only NGO seen to be active in Solukhumbu since IRM-2 was helping reconstruct schools in the district.

Other forms of assistance provided by I/NGOs included agricultural support, livelihood support, water and sanitation programs, health and nutrition support.

I/NGOs working in Baruwa and Lisankhu VDCs in Sindhupalchowk provided farming and agricultural inputs. A dozen livelihood support programs were recorded across districts, mainly in Gorkha. Some of these were targeting marginalized groups. For example, one NGO established a Women's Cooperative Bank and a goat distribution program for women in Barpak VDC. An INGO had started the reconstruction of a blacksmiths' workshop for Dalits. Over a dozen I/NGOs were involved in health, nutrition and food security programs in Gorkha. In Gorkha, there were thirteen I/NGOs involved in water and sanitation with eight being active in Barpak.

Local authorities and earthquake-affected people often advocated for more direct I/NGO involvement in rebuilding houses and infrastructure.

In line with central-level policies, NRA representatives in districts encouraged I/NGOs to support more technical assistance to help households to become compliant. But district authorities wanted more 'hardware' including direct involvement in reconstruction of houses and infrastructure.¹³⁰ This was also the preference expressed by earthquake-affected people and VDC officials, who welcomed the technical assistance (and wanted more masons and engineers) but who also wanted more material support. One INGO program manager in Sindhupalchowk explained the constraints facing INGOs: "the major challenge for us is that the government asks us to support them directly on reconstructing houses but we cannot do that as it is not our area of expertise."

Despite discouragement from the central level NRA, some INGOs distributed cash grants for house reconstruction

This was observed at the district level in Sindhupalchowk and in Okhaldhunga, and from the wards visited in Prapcha, Okhaldhunga. I/NGOs distributing the cash grant were obliged to sign agreements with the NRA and follow all the RHRP distribution guidelines including three tranches where possible.¹³¹ The NRA and HRRP have attempted to discourage I/NGOs from providing cash grants, asking them to focus on technical assistance instead. Yet, in contrast to the NRA, district authorities welcomed the move in

Sindhupalchowk and Okhaldhunga, with the LDO in Sindhupalchowk saying, "I/NGOs were faster than our government in giving the cash grant. Our government has not taken the initiative to give the second tranche, whereas organizations such as CARITAS and Save the Children are ready to give the third tranches." In Prapcha, an NGO had provided the equivalent of the cash grant and deployed its own engineers for technical support during reconstruction. A similar scheme proposed by an NGO was met with resistance in Gorkha. Cash donations were also popular in Solukhumbu and parts of Sindhupalchowk, but these came from individuals rather than I/NGOs. In Baruwa VDC, Sindhupalchowk, for example, some Italians had reportedly helped to rebuild 18 houses in Ward 5, while 10 houses were under construction in Ward 3 thanks to another foreigner's individual cash donation.

Areas closer to the roads and markets continued to receive more aid than remote settlements and show greater rates of recovery.

As noted in IRM-3,¹³² Solukhumbu's eastern VDCs such as Goli, Bhankaje and Chaulakharka, each of which suffered damage comparable to some of the worst affected areas of Gorkha or Sindhupalchowk, had received less assistance because of their remoteness. This was also the case for the western VDCs of Sotang, Bung, Chheskan and Gudel. Technicians and engineers were also reluctant to travel too far away from the roads. These logistical difficulties further delayed the reconstruction of houses in more remote areas. In some places, however, the opposite happened. In Katunje-4, one of the more remote wards of Okhaldhunga, there had been rapid reconstruction since IRM-3, with over half the households having been rebuilt since the previous round of research. The rate of reconstruction in the ward was not thanks to aid but despite the lack of it, as locals were motivated by strong feelings of insecurity and discomfort in temporary shelters (see Case Study 3.2).

¹³⁰ See Chapter 2.2 and the IRM-3 qualitative report, pp. 10-16.

¹³¹ The NRA has said it will cover any shortfalls in installments if I/NGOs cannot fund all three installments.

¹³² See the IRM-3 qualitative report, p. 20.

Case Study 4.1: One man helps to rebuild an entire village, Solukhumbu

Since IRM-2, Lok Bahadur Thapa, who owns a trekking agency in Solukhumbu, provided cash assistance for the reconstruction of infrastructure and private houses in the district, a scheme which proved popular and considerably helped reconstruction efforts in some areas given the absence or delay of government or I/NGO assistance.

Thapa's project provided NPR 200,000 to 200 households in the district and he hoped to assist an additional 200 households in the future. As the CBS assessment had only started in the district from January 2017, Thapa and his local contacts carried out their own assessment and selected beneficiaries of the grant based on how badly their house was damaged and how poor the house owner was. The grant was given out in two installments of NPR 100,000 – one before starting reconstruction and one after reconstruction was complete. It was an informal and unofficial scheme that operated outside of government and NRA coordination.

In Nele VDC by April 2017, all of the houses damaged by the earthquakes had either been repaired or rebuilt by individuals or due to the support of Thapa's scheme. All of those who had received the money were very satisfied, and Nele showed a considerably higher level of citizen satisfaction than other VDCs visited. This scheme was, for many, the only form of assistance that they had received recently. The local Nepali Congress representative applauded the scheme, "I am personally very impressed with the recovery efforts implemented by Lok Bahadur Thapa when there was no effort by the government. I am fully supporting him on his recovery program." However, some residents raised questions about the transparency of Thapa's efforts and the basis on which households were selected. As one local expressed,

"I think some whose houses were only partially damaged but who are close relations of Thapa were given money, which I feel is unfair."

Despite this scheme, borrowing had increased since IRM-2 and IRM-3. Indeed, many pointed out that, though essential support, NPR 200,000 was not enough to build a house. Lal Bahadur B.K., a Dalit farmer and wage laborer from Ward 9, received the cash grant from Thapa's scheme and rebuilt his house. However, he also had to borrow NPR 200,000 from a local cooperative at an interest rate of 18 percent and an additional NPR 100,000 from a moneylender at an interest rate of 24 percent to complete his house, as he said the overall reconstruction cost was a minimum of NPR 700,000. He said he was hoping to receive the government's cash grant in order to repay his debts.

This raises a concern widely shared in the district. The CBS assessment in Solukhumbu only started in late January 2017 and the beneficiaries list had still not been published. Those affected by the earthquakes were worried that delays meant that they would not receive the cash grant as they had already rebuilt their homes.¹³³ The WCF coordinator in ward 9 expressed: "I am worried that the government will not provide the cash grant to those houses that received support from Mr. Thapa. The NPR 200,000 provided by M. Thapa was not sufficient to rebuild a house so they had to take out loans." Thapa's scheme was generally seen as highly effective, and vital for the recovery of poorer people, notably Dalits, but the need for additional cash assistance to cover debts still remained. As a Dalit in ward 9 summarized: "all the fully damaged houses have been rebuilt and people are back into their homes in our Dalit community, but the loans remain a source of stress for us."

¹³³ In February 2017, the NRA decided to provide a lump sum of the total housing grant to households who had rebuilt their houses (following the national building code) using their own money. However, it is unclear whether households who received money under Thapa's scheme would be eligible for government housing grants, especially as Thapa's scheme does not appear to have been coordinated with the NRA. Such houses may also require further corrections in order to become compliant with the national

building code. This confusion is related to delays in carrying out the CBS damage assessment in the 17 less affected districts, which led households to consider these private alternatives. For background on the NRA decision see 'Families that rebuilt homes on their own to get lump sum grant', February 18, 2017, <http://kathmandupost.ekantipur.com/news/2017-02-18/families-that-rebuilt-homes-on-their-own-to-get-lump-sum-grant.html>.

4.2 Needs

Needs of different respondents

Overall, there was consensus that the reconstruction of private houses was a priority need.

Earthquake-affected people interviewed mentioned reconstruction as a priority need in all VDCs in Gorkha, in Baruneshwor VDC in Okhaldhunga, in Syaule-8 and Lisankhu-3 in Sindhupalchowk and in Dudhkunda VDC in Solukhumbu. Related needs were mentioned by citizens, government officials and I/NGO staff, notably cash assistance and roads, trained masons, building material, technical assistance, demolition of damaged houses and the resolution of the grievances of those not included on the cash grant beneficiary list. The reconstruction of public infrastructure to ensure the provision of public services was only cited as a priority need by the CDO in Solukhumbu. This was due to Solukhumbu receiving smaller and delayed amounts of assistance, including infrastructure reconstruction, from the government and I/NGOs compared to other districts visited since IRM-3.

Cash assistance was unanimously raised as the greatest need by all citizens and most NGOs but was not highlighted as much by government officials.

Following on from IRM-2 and IRM-3, cash was again cited as the most important need by all citizens interviewed. This was understood to be in the form of the housing cash grant and credit or soft loans. In 15 out of 24 wards, citizens cited it as a need over the next six months. This was in addition to income generating opportunities and livelihood support in six wards. In contrast, only one-half of VDC level officials deemed cash as an immediate need and only five out of 12 said it was a need in the next six months. Two-thirds of ward level representatives saw it as an immediate need, and 10 out of 24 saw cash as a need in the next six months. Cash assistance was also the most cited need by NGOs, mentioned in seven out of 12 VDCs. Only in Solukhumbu was the belief in the importance of cash assistance jointly shared by citizens, government officials and NGOs, possibly due to reconstruction delays creating personal debt problems. The need for employment was also cited as a need by citizens in one-quarter of wards visited, both as a source of income and, as a Dalit man in Barpak pointed out, because being employed gives a better chance of receiving loans from banks.

Better, more reliable roads were mentioned as an immediate need mainly in Solukhumbu, and, overall, as a longer-term need by both citizens and government officials.

As with cash assistance, roads were cited as both an immediate and a longer-term need by all respondents in Solukhumbu, and elsewhere in Dhuwakot and Tanglichowk VDCs in Gorkha and Lisankhu VDC in Sindhupalchowk. VDC officials in seven out of 12 VDCs deemed it a top need over the next six months along with citizens in 10 out of 12 VDCs. The VDC Secretary of Baruwa, for example, said that government investment in roads was a high priority, as he believed NGOs would typically address other needs such as livelihood support and technical assistance. Concerns were also raised related to the coming monsoon, which was expected to destroy or worsen the condition of roads in Syaule and Baruwa in Sindhupalchowk and in Barpak in Gorkha. In Barpak, the VDC Secretary anticipated that, “food availability will be hampered during the monsoon due to transportation problems.” Poor and unreliable road networks have been a major problem for remote areas in Nepal, but the issue has been highlighted due to the earthquake recovery process.

Despite water channels having been repaired in many places, the repair or construction of water and drinking water infrastructure was a frequently cited need, as in IRM-2.

In seven out of 12 VDCs visited, water or drinking water was identified as a need now and for the next six months by government officials. In nine wards from these 12 VDCs water or drinking water was an immediate need for citizens. At the district level, water was cited as a need only in Sindhupalchowk, where the problem seemed to be most common. I/NGOs also identified water as a need in three VDCs in Sindhupalchowk, as well as in Dhuwakot and Tanglichowk VDCs in Gorkha. Drinking water shortages had caused tensions since IRM-2 between communities in Prapcha, Okhaldhunga and in Syaule VDC, Sindhupalchowk. Solukhumbu was the only district where water was not raised as a need.

For the first time, citizens did not mention a need for psychosocial support.

There was no mention of the need for psychosocial support in IRM-4, unlike in previous research rounds. A woman in Barpak VDC, Gorkha, said that, “even kids have forgotten the terror given by the earthquakes” thanks to psychosocial counseling provided by NGOs and UN agencies. However, vulnerable groups such as displaced households said that they still lived in fear of landslides and the possibility of other earthquakes, so counseling may still be needed. Healthcare was mentioned as a longer-term need by



Photo: Alok Pokharel

citizens interviewed in Katunje-4 and also by non-governmental aid providers in Prapcha VDC, both in Okhaldhunga district.

Shortcomings

Earthquake-affected people did not feel that authorities heard their needs, nor were they involved in decision-making processes.

Overall, people felt that they were not involved in decision-making processes, and were often dissatisfied with the grievance hearing process, arguing that authorities did not address their concerns. Decisions seemed to be made without the participation of the general population, let alone marginalized groups. In some cases, I/NGOs did not carry out adequate needs assessments before implementing programs, which led to gaps between the aid provided and people's needs. In one VDC in Gorkha, for example, a goat-keeping program by an NGO failed after misjudging what recipients needed. The NGO, supported by an international donor, provided nearly 150 earthquake-affected women in one VDC with between three and eight goats each as part of a livelihoods support program. However, the climate and altitude of the

VDC were unsuitable for goats. The women did not know how to raise goats and were given no suitable training by the NGO and the project failed.

Livelihood support from the government and I/NGOs continued to be uncoordinated.

The HRRP Coordinator in Gorkha said that, “the livelihood sector is very chaotic in terms of coordination between I/NGOs and the government, therefore there has been less success in terms of improvement of livelihood standards throughout the district ... no organizations know what other organizations are working on.” Researchers could not find any livelihood programs in Okhaldhunga at the district level. In the Solukhumbu and Sindhupalchowk, I/NGOs appeared to be working on agricultural inputs, livestock provision and water infrastructure. The only instance of a government supported livelihood program was the *Goth Sudhar Karyakram* (Livestock-Shed Improvement Program) in Solukhumbu. The District Agriculture Office, with financial assistance from the World Bank, selected 1,206 earthquake-affected households who received cash assistance of NPR 25,000 to build enhanced cattle sheds. Thirty-five households were selected from each VDC and the program was implemented between February and August 2016.

Many earthquake-affected households complained about the difficulty of getting assistance from engineers or technical assistants.¹³⁴

Citizens, government officials and civil society members raised the issue of vacant engineer positions, the high turnover of engineers and also claimed that engineers were often reluctant to travel far from roads. This made it harder for people to rebuild their houses according to the national building code and suggested designs. A journalist in Gorkha explained, “this is why the houses did not meet the building codes in Taku, Lakuribot and Simjung VDCs. They did not have any technical help while rebuilding.” The WCF Coordinator in Barpak-2 said that, “technicians used to visit us before we started rebuilding and in the initial phases of reconstruction, but now they have almost stopped coming.” However, some technical assistance programs, such as JICA’s “door-to-door assistance program” in Sindhupalchowk proved successful according to key informants.

Despite there being a high number of mason training programs in all districts except Solukhumbu, there was still a shortage of masons.

In Gorkha, researchers observed that untrained masons from the Terai and India were assisting reconstruction. The DUDBC chief said, “we have provided mason training to around 5,000 individuals in the district, but there are still not enough good masons in villages.” An NGO representative in the district also had difficulty in finding masons to work on their projects, as they would not provide a daily wage higher than the government guideline of NPR 500 per day. In Okhaldhunga, the CDO acknowledged the high number of mason training programs, but maintained that poor organization and an inability to mobilize these newly-trained masons meant that they would leave their area in search of more lucrative work elsewhere, leading to a shortage of skilled labor in the district.

4.3 Satisfaction with aid and aid providers

People were generally satisfied or somewhat satisfied with aid delivered, except in Solukhumbu.

Despite little extra aid since IRM-3, citizens tended to feel that “receiving something is better than receiving nothing,” and would therefore express satisfaction over any aid received as well as about aid received before IRM-4. For example, despite no government or NGO aid having been provided in Syaule VDC in Sindhupalchowk since IRM-3, half the citizens interviewed were indifferent and half were somewhat satisfied with the aid received, praising the prompt help received in the months following the earthquake. In Prapcha VDC, Okhaldhunga, 18 out of 20 citizens interviewed said they were satisfied with what they had received, despite not having received anything since IRM-3. The same citizens who were satisfied with aid provision still expressed many needs.

Some of the dissatisfaction expressed was related to perceptions of unfair aid provision and some was related to the housing grant process.

When assistance did not benefit all inhabitants of an area, some found the programs unfair and were dissatisfied as a result. This was the case in Katunje VDC, Okhaldhunga, and Lisankhu VDC, Sindhupalchowk, where the only form of aid received was solar panels to beneficiaries of the cash grant, leaving others in the VDCs feeling neglected. Respondent did not, however, state that Dalits were receiving unfairly high levels of attention and additional aid, as had been the case in IRM-3.¹³⁵ Part of the dissatisfaction was also aimed at the housing cash grant process. Households who had not been included in the beneficiaries list deemed it unfair.¹³⁶

¹³⁴ This is an issue that had been highlighted by the NRA as early as January 2016, as reported in IRM-3. Despite efforts to recruit and train more engineers and technical assistants, labor shortages remained by IRM-4. For more see the IRM-3 qualitative report, pp. 10-16.

¹³⁵ See the IRM-3 qualitative report, p. 26.

¹³⁶ See Chapter 4.4.

Citizen satisfaction with I/NGOs had significantly improved since IRM-3 and was higher than satisfaction with the government.

The increase in citizen satisfaction with I/NGOs marks a shift since IRM-2 and IRM-3 when the general sentiment favored the government's work over that of I/NGOs. In Barpak-2, Gorkha, a social leader said that, "people are not positive about the government." Citizens interviewed in Tanglichowk VDC in Gorkha complained about the government for delaying the cash grant process as well as the government's perceived lack of interest in earthquake victims. The same citizens were somewhat satisfied with aid provided by I/NGOs, such as a man in ward 4 who felt that, "the masonry training from an NGO was very helpful. I learned a lot from them," or a woman in ward 9 who received a goat from an NGO, concluding, "it is now a source of livelihood for me. I will earn from goats in the future." In Lisankhu VDC, Sindhupalchowk, people felt that more support was coming from I/NGOs than from the government, partly due to a mason training

program and the distribution of solar panels to beneficiaries. Tara Yonjan, from ward 3, said, "I am happier with the organizations than with the government's efforts in the distribution of assistance." In Nele-9 in Solukhumbu district, all citizens interviewed were unhappy with the government's performance, saying that the government had delayed the recovery process.

There were, however, some instances in which I/NGO programs were unsuccessful or less welcome than government assistance.

For example, an NGO the goat-herding program in Barpak discussed above was deemed a failure. A Tamang community member in Katunje-4 assessed that overall, "the state has given us and helped us a lot, so we are happy." A Newari woman from Syaule acknowledged the good work of NGOs, but argued that their assistance had been short lived, whereas the government had done continuous work that should be recognized.

4.4 The housing reconstruction cash grant

Information

Earthquake-affected people wanted information on the housing cash grant and access to loan schemes in all districts visited.

The lack of information and resulting confusion on the housing grant process were of concern for most beneficiaries and key stakeholders. In particular, there was a lack of clarity about the timeline for the distribution of the second installment, grievances, building codes and retrofitting options (see below) as well as access to credit and soft loans. Residents interviewed in the VDCs visited had sometimes heard about the soft loans designed specifically for earthquake affected households but generally said they did not know where and how to access them or feared they did not have enough collateral. Researchers did not meet or hear of anyone who had been able to access these loans. While during previous research rounds, people still had hope that they would receive special loans from the government—many even took loans at high interest rates in the expectation that they would soon be able to repay them by taking an interest-free loan from the government—by IRM-4, they had become more skeptical. A Dalit in Barpak VDC, Gorkha, said, "a government loan is a very distant reality for earthquake victims. It is very uncertain whether the government will provide loans to earthquake victims since they have not even distributed the second installment yet." A local leader in Baruwa VDC, Sindhupalchowk said

earthquake-affected people approached him regularly to inquire about the loan scheme but he himself was unsure whether it would be provided. Another resident in the same VDC said, "I heard the government will give soft loans but now I hear that the government has cancelled the loan program." A teacher in Sindhupalchowk said, "the soft loans for reconstruction are just a rumor. No bank will ever provide such loans."

In Solukhumbu, as the CBS assessments had only started in January 2017, people still needed information on whether or not they had been included in the list of beneficiaries and when they would receive the first installment of the cash grant.

Common sources of information on the housing grant scheme were the VDC office, social mobilizers, engineers, the radio and neighbors or friends.

Citizens across VDCs visited said they received information on timelines and requirements of the housing grant program from VDC offices, engineers, the radio and the community. In four VDCs, social mobilizers were mentioned as one of the primary sources of information. Less frequently, WCF members, local political leaders or teachers were said to inform local communities. Only a small number of those interviewed said they received information from the TV. In

several VDCs where neighbors, friends and relatives were the main sources of information, rumors spread and confused residents; for example, about having to return the first installment if they did not complete their houses according to the guidelines, or having to fully rebuild within a few months in order to receive further tranches.

Perceptions

Overall satisfaction with the housing cash grant scheme improved after people received the first installment. Those unable to rebuild were more likely to be dissatisfied.

Of 213 residents interviewed in the VDCs visited, 87 were somewhat satisfied or satisfied with the housing grant scheme, while four were very satisfied. Seventy-three local residents were either somewhat satisfied or satisfied while 11 were very dissatisfied.¹³⁷ This shows some improvement compared to IRM-3, when dissatisfaction with the housing grant was high. The extent to which people were benefitting from the housing grant influenced their opinion. Those for whom the first installment was useful to begin reconstruction were more satisfied than those who remained unable to begin rebuilding, for example because they did not have safe land to build on or did not have sufficient funds. Those unaffected by the earthquake were generally positive about the grant or did not have an opinion.

“With the 50,000 from [first installment of] the cash grant, I bought iron rods and cement and used it for rebuilding my house. It helped me a lot,” said a resident in Dhuwakot VDC, Gorkha. Similarly, Bhupal Syangbo from Sindhupalchowk said, “I got fifty thousand. I used it to clear the land. Without the first installment, I would not have started rebuilding my house.” Some of the VDC residents interviewed were happy that the government provided any assistance at all. “I am satisfied with whatever government could do for us. At least we are given some amount. How can government give money as expected by all? There are so many people like us. I am grateful,” said Sita Tamang from Syaule VDC, Sindhupalchowk. A resident of Katunje VDC, Okhaldhunga noted, “It was said that the government would help us rebuild and they did. That’s why we are happy.”

¹³⁷ Thirty-eight of those interviewed were neutral about the housing grant, meaning they could not say whether they were satisfied or dissatisfied – this included citizens who were not affected by the earthquake and therefore not listed as beneficiaries.

A displaced woman in Barpak VDC, Gorkha, on the other hand, said, “Where can we go to build a house with that money?” A Dalit man displaced from a different ward in the same VDC added, “We have no land to build a house since our land has been reserved for an earthquake memorial park.”¹³⁸

Those whose houses were damaged but who were excluded from the beneficiary lists were most likely to be dissatisfied, as were those whose houses were partially damaged and who remained unsure about whether they would receive retrofitting or other forms of assistance. Himal Gurung, from Baruwa VDC, Sindhupalchowk, said “I am not in the beneficiary list, so there is no point in being satisfied. I don’t think our grievances will be addressed.”

In Solukhumbu, where the CBS assessment had only just been completed and the beneficiary lists were yet to be made public, residents also continued to be dissatisfied with the cash grant scheme, in particular with the long wait to have their damages assessed and receive the first installment.

Many housing grant beneficiaries interviewed, including some of those who were satisfied with the housing grant scheme, were very dissatisfied with the amount of both the first installment and the grant as a whole.

Earthquake-affected people exclaimed time and again that the grant was not enough to build a full house and that they faced difficulties as they struggled to pay for reconstruction. “Although I received the first installment, I have decided not to rebuild the house for now because I do not have enough money [...]. It costs at least seven to eight lakhs to rebuild a house and I don’t have that much of money,” said a resident of Tanglichowk VDC, in Gorkha. Tenzen, from Baruwa VDC in Sindhupalchowk, said, “I only managed to clear the land with 50,000 rupees. I think those who have money will make a house and people like me will not. For us poor it is such an added burden because of loans.” Indra Bahadur Shretha from Syaule VDC in Sindhupalchowk said, “It would have been better if all the amount of cash grant was given at once. We could at least start rebuilding the house.” Chitra Bahadur Khatri from the same VDC added, “No major reconstruction work was possible with fifty thousand rupees. How can we be satisfied? On top of that it was given before Dashain [festival], so some amount was spent for Dashain.”

¹³⁸ At the time of research, no resettlement solution had been found for Dalit households displaced in Barpak who could not return to their land because there were plans to use it for an earthquake memorial park. They had been displaced from the land because they feared it was unsafe after cracks appeared during the earthquakes.

Case Study 4.2: Common questions on and complaints about the housing grant

These questions were raised at a public hearing organized by Transparency International in Sindhupalchowk in a village over two hours drive from the district headquarters. Questions were answered by the NRA representative in Sindhupalchowk. Around 50-70 people attended the program.

“I am rebuilding my house with a large loan [...] but the government is not giving us the second and third installments of cash grant. I have to pay interest for my loan. The government should immediately give us money or inform us if they cannot give it. We are confused.”

“There were mistakes in the CBS assessment. People were left out because of the assessment team’s mistakes, and problems with the tablets and network. And now the grievances submitted have not yet been addressed. When will they be addressed?”

“The first [INGO] engineer said that it is okay to build two attached houses. So, brothers from the same family built that way but later another engineer said it’s not as per the building code and they are not eligible for the second installment. What will happen to this case now?”

“It was said that we can use local resources for rebuilding the house but now the engineers are not approving houses made of stone. Why?”

“Our one-floor house was cracked by the earthquake and the engineer asked us to rebuild the house. But our name was not in the beneficiary list. How can we build a new house? Why was our name not included in the list?”

“Multiple engineers came to see our house; one said it is okay and the other says it is not. And when we asked the VDC about the forms for the second installment he said that engineer will bring it and when we asked the engineers they say the VDC office will provide the forms. What is the truth?”

“It is our house and we have surely made it strong and safe. So, all the houses that have already been rebuilt must be approved without obstacles.”

“Around 500 grievances forms were submitted from Barabise VDC but we don’t know the results. Will they be addressed or not?”

“Why we are not getting the second installment? Is the problem at the central or at district level?”

“I called the engineers when I was about to start rebuilding. But they didn’t show up. Now, I rebuilt on my own. Will the house be approved?”

Direct impact

The distribution of the first installment of the housing grant was a key factor in increasing reconstruction efforts in late 2016 and early 2017. This positive impact was offset by the slow distribution of and uncertainty about who would qualify for further installments.

The distribution of the first tranche of the housing reconstruction grant, as well as suitable weather for construction during the winter months, were generally credited for the increase in reconstruction efforts after IRM-3. As such, the grant did encourage the rebuilding of homes. Yet, on average only around 40-50 percent those whose houses were damaged had started rebuilding in the VDCs visited in April 2017 (IRM-4). In half of the VDCs visited the percentage was below

30 percent and it was reported that very remote areas had even lower rates of reconstruction. This means that a significant percentage of households did not start rebuilding despite receiving the cash.¹³⁹ Further, not all of those rebuilding were following the building guidelines issued by the government (see below).

The initial impact of the distribution of the first installment on reconstruction did not last as many of those who had begun rebuilding after receiving the first installment did not continue. A common

¹³⁹ The exact percentage was difficult to determine. Observation of ongoing and completed construction could often not distinguish between housing grant beneficiaries and those who were rebuilding outside the housing grant scheme.

reason for this were delays in and uncertainty around the distribution of the second installment. This was observed in all VDCs visited in districts where cash grant distribution had begun. For example, in Tanglichowk VDC in Gorkha, residents thought that the cash grant was crucial assistance for rebuilding but only around 70 out of 650 cash grant beneficiaries had started construction. Most beneficiaries in this VDC said they were not yet rebuilding as they were unsure whether they would receive the second installment at all. In Lisankhu VDC, Sindhupalchowk, a citizen complained that, “people are confused about whether the second installment of the cash grant will be released.” In Baruwa VDC, Sindhupalchowk, a resident said, “More than sixty thousand rupees was spent on clearing the land. Now, how to start building the house, the government is not providing us the second installment [of the housing cash grant] and I cannot continue [building].”

Distribution process

By IRM-4, the first installment of the housing grant had been distributed to nearly all beneficiaries who had signed cash grant agreements. No security concerns, protests or other major concerns regarding the distribution process were reported.

During IRM-3 (September 2016), distribution of the first installment of the housing grant was ongoing in the 11 priority districts. By IRM-4 (April 2017), the first installment had been deposited in beneficiary accounts of those who had signed cash grant agreements (CGA) in VDCs visited in Gorkha and Sindhupalchowk. In Okhaldhunga, 105 beneficiaries who had completed the CGA process had not yet received the first installment in their account.¹⁴⁰ Nearly all beneficiaries had received the money just before the Dashain festival in October 2016.

The cash grant distribution process was reportedly smooth; no major security incidents, protests or obstructions were reported in any of the VDCs visited, nor by key informants at the district level.¹⁴¹

Some local differences in the way the distribution process was managed were observed. One of the VDCs visited, Prapcha in Okhaldhunga, made special efforts to provide assistance to beneficiary households by setting up a help-desk outside banks to issue documents, verify identities, and officially recommend individuals who had been nominated to receive the housing grant on behalf of the house-owner where he or she was unable to visit the bank him- or herself (see below). This significantly helped speed up these processes as it prevented people from having to travel back to the VDC if they needed additional documentation. Researchers heard of similar efforts in some other VDCs.

The first installment of the housing grant was primarily distributed via banks at the district headquarters and in other market hubs. No mobile banks had been deployed to VDCs visited but in Okhaldhunga a helicopter was arranged to transport the cash to remote VDCs.

The housing grant was distributed via the local branches of several assigned banks. There are only a small number of bank branches in rural Nepal, most of them located at district headquarters or in local hubs such as market towns. In Sindhupalchowk, 16 banks in 10 different locations were involved in the distribution of the cash grant.¹⁴² In Okhaldhunga, six different banks were involved. In Gorkha, people had to travel to the district headquarters. No mobile banks were deployed in the districts visited despite some plans in IRM-3 to do so. A woman in Barpak VDC, Gorkha, said, “We were initially told that banks will distribute money here in the village, but that did not happen. We had to go all the way to Gorkha district headquarters.” Some I/NGOs provided the housing grant on behalf of the government. However, in Prapcha VDC, Okhaldhunga, where the first installment was provided by the Red Cross, distribution was also done via banks.

VDCs were assigned specific bank branches but in Sindhupalchowk it was observed that some of the VDCs were assigned several bank branches in different locations which caused confusion among beneficiaries as to where to go.

¹⁴⁰ The reasons for this remained unclear. The local NRA office said they were working on resolving the issue.

¹⁴¹ The cash grant agreement process was initially delayed in the 11 priority districts due to local level protests against the beneficiary lists and the CBS assessment which was seen to have missed out many eligible house owners. See, the IRM thematic report and the IRM-3 qualitative report.

¹⁴² The banks involved in the housing grant distribution for the first installment in Sindhupalchowk were located in Chautara, Melamchi, Ramche, Pangretar, Sipaghat, Khadichaur, Mankha, Mude, Barabise and Jalbire.

In Okhaldhunga, the first installment of the cash grant was distributed by helicopter to a small number of remote VDCs as banks refused to send mobile teams to these places due to the lack of insurance for the money that needed to be transported. Beneficiaries were charged NPR 1,000 to cover the helicopter costs but many thought this was justified, as they would have spent money on travelling to the banks. The initiative to collect the money to cover the costs for the helicopter was reportedly taken by the all-party mechanisms in the VDCs, together with VDC Secretaries, who also collected the NPR 1,000 before the arrival of the helicopter so that the full amount of the first installment, NPR 50,000, could be distributed to beneficiaries. The CDO, LDO and political party leaders were said to have accompanied the helicopter. In one VDC, the NPR 1,000 was later returned to beneficiaries when the issue was raised and made news and in another VDC NPR 500 was returned.

In Solukhumbu, distribution of the housing grant had not yet begun.

In Solukhumbu, the only district visited that was not listed as priority district, the first installment was yet to be distributed after conducting the cash grant agreement process, which was scheduled for after the local elections. In Solukhumbu, the CBS assessment to identify beneficiaries had started in January 2017 and was completed during the first week of April, with the exception of three VDCs in the Khumbu region where it was postponed due to the absence of many residents during the peak tourist season in spring. The NRA had sent the beneficiary list to the district on April 15, but it was yet to be released publicly in the district.

The second installment of the housing grant was not yet being distributed.

None of the beneficiaries in the VDCs visited had received the second or third installment of the housing grant, including those who had already fully rebuilt. In Sindhupalchowk and Okhaldhunga, it was reported that a very small number of beneficiaries in the districts had received the second installment (383 in Sindhupalchowk, 57 in Okhaldhunga) but in most of these cases it had been provided by I/NGOs rather than the government.¹⁴³ Less than half of the listed beneficiaries had submitted forms to apply for the second installment and those forms submitted had yet to be processed and further distribution was postponed for after the local elections.

¹⁴³ In Gorkha, no households had reportedly received the second installment but 821 households had submitted forms and been found eligible. Their forms had been submitted to the NRA.

¹⁴⁴ See the IRM-3 qualitative and IRM thematic reports.

Access to the housing grant

As reported in IRM-3, beneficiaries often had difficulties physically accessing banks, especially in remote areas.

Since cash grants were primarily distributed via banks in district headquarters and major towns or market hubs, people had to travel there to access their first installment. Only few exceptions were made; in Okhaldhunga a helicopter was rented to transport the cash to very remote VDCs (see above). For most beneficiaries, the centralized distribution process meant long travel times, often days, and spending several thousand rupees for travel and accommodation.¹⁴⁴ Some were entirely unable to pick up their cash because they were physically unable to travel. For example, Rosika Tamang from Syaule VDC, Sindhupalchowk, complained that her family did not receive the first installment because her mother-in-law, who is listed as beneficiary, was too sick and bedridden to travel to the bank.¹⁴⁵ Further, it was not uncommon that beneficiaries had to travel back and forth between their VDC and the bank if they needed additional documentation. As mentioned above, in at least one VDC, the VDC office had set up a stall outside the bank to provide such documentation on site.

Long travel distances to access banks not only meant increased costs but also security risks along the way. It was common in VDCs visited for beneficiaries to jointly rent buses or trucks to transport them or to walk in groups. There were no reports of robberies in VDCs visited but two people drowned in a river in Sindhupalchowk while returning from the bank. One of them, an old man, was from Baruwa VDC. In Sindhupalchowk, it was also pointed out that with many household heads being women, as men tend to work abroad, it was also common for women to have to travel to banks.

Yet, even for people from the same VDC, the experience could be very different. Bhupal from Baruwa VDC, Sindhupalchowk said, “I went to Tipeni first and then travelled an hour by bus to Melamchi. There was a long line [at the bank], and I stayed in line for about five hours. I couldn’t reach back home the same day.” In contrast, Binod, from the same VDC, said, “I went to Melamchi and received first installment in cash. I just waited for 15 minutes in line. It was easy.”

¹⁴⁵ Policy corrections were made so listed beneficiaries could nominate others by giving power of attorney to pick up the cash grant on their behalf. This was used primarily by those households where the beneficiary was abroad.

Information on who had yet to withdraw the first installment of their housing grant continued to be lacking.

As reported before, receipt of cash grant was defined as deposit in the bank and there was still no official information on who had actually withdrawn the money at both local and central levels. This information likely exists at the involved banks but has not been compiled and released. According to local respondents, nearly all beneficiaries had taken their money out of the beneficiary accounts to either take the cash or deposit it in their personal accounts.

Those wrongly excluded from beneficiary lists generally had not yet received their first installment even if they had filed a grievance form.

Most grievances were yet to be processed or the results of grievance processing had yet to be communicated to concerned households. Yet, those whose grievance had been approved had also still not received the first installment of the grant. A woman whose grievance was approved in Baruneshwor, Okhaldhunga, said she was told that those later added to beneficiary lists would only be able to complete the CGA process after the local elections. Two beneficiaries in Tanglichowk, Gorkha, who were added to the list after submitting grievances, complained that they had still not received the first installment.

As pointed out in previous research rounds, beneficiary lists not always accurately represented current house ownership as some households had merged or split and official land ownership transfers were often missing. This problem persisted although it was no longer raised as frequently in IRM-4, likely because the grievance process allowed for corrections to be made. Not all personal circumstances, however, could be addressed. In Prapcha VDC, a man said he was not on the beneficiary list as his house was registered under his uncle's name. His uncle, who had been living in another house in another district for over two decades had received the cash grant but was doing nothing to repair the house where his nephew was living.

In seven out of nine VDCs, listed/eligible beneficiaries were yet to sign reconstruction agreements and receive the first tranche.

In Barpak VDC, Gorkha, in all three VDCs visited in Sindhupalchowk and in all three VDCs visited in Okhaldhunga, the number of those who had signed CGAs was smaller by around three to 40 compared to the number of listed beneficiaries. According to VDC-level respondents, the most common reason for this was the house owner being away. Other reasons mentioned were missing land ownership certificates

or mistakes, most often spelling mistakes, in the documentation needed or in the beneficiary list. But after policy amendments to allow more earthquake victims to complete the CGA process, for example special provisions for the landless, the number of those unable to complete the CGA process had gone down. Nevertheless, one of the three beneficiaries that had not completed the CGA process in Syaule VDC, Sindhupalchowk, was landless. Some may not have completed the CGA process because they had been informed that they were not eligible despite being included in the beneficiary list.¹⁴⁶

Mistakes in beneficiary lists or the cash grant agreement also continued to prevent some from withdrawing the first installment of their grant from the bank.

As reported in IRM-3, beneficiaries sometimes had difficulties opening bank accounts and accessing the first installment due to mistakes that had happened while entering beneficiary details in lists or the cash grant agreement forms. The most common mistakes were spelling mistakes and mistakes in the citizenship certificate or household number. If the details on the ID card, the CGA form and the beneficiary list did not match, beneficiaries were not allowed to access the first installment. Many had to make corrections to their documentation, which often required several days to visit various offices at the VDC and district levels. Where travel distances between the VDC, district headquarters and the bank were long, this meant significant added difficulties for those affected. Most of those who were initially affected by this were later able to open beneficiary accounts and withdraw the first installment but a small number of households were unable to access their grant.

Access to the first installment was more complicated for those trying to receive the cash grant on behalf of a listed beneficiary.

Although the cash grant can be received by someone other than the listed beneficiary if he or she nominates someone else in the household by power of attorney, the process was more difficult in such cases. Additional documentation in the form of a recommendation letter from the VDC office was needed. This letter was then submitted by the VDC office to the DDC, which verified the nominees. In Baruwa VDC, Sindhupalchowk, 11 nominees had already received the first installment. In Baruwa, the VDC Secretary had called on political parties to verify nominees and decide on who should

¹⁴⁶ According to news reports, complaints were submitted in several VDCs against households that had been wrongly included in beneficiary lists, mostly because of double house ownership. Some households were therefore later excluded from the lists.

receive a recommendation letter: “The process is cumbersome for nominees. They have to bring a letter from the embassy according to the guidelines. So, I called an all-party meeting to decide on nominees.”

Some households where the listed beneficiary was absent remained unable to access the cash grant despite the special provisions for such cases. In Syaule VDC, Sindhupalchowk, 11 nominee women whose husbands were abroad had not yet heard back from the DDC despite the VDC Secretary forwarding their forms, and therefore remained unable to access the first tranche of the grant. In Baruneshwor, Okhaldhunga, a young man who was trying to rebuild the family home did not get the cash grant because his father who was the listed beneficiary was abroad and he was denied access to his father’s cash grant.

Use of the housing grant

The majority of beneficiaries in VDCs visited said they planned to use the housing grant to rebuild their houses but many had not yet used it due to lack of funds for rebuilding. A small number of beneficiaries were using it for other purposes.

Those beneficiaries who had already spent the first installment had generally used it to begin rebuilding. Most commonly they had spent it on clearing debris from their damaged houses. However, NPR 50,000 was reportedly barely sufficient and some had to add their own funds or take loans to prepare their land for house reconstruction. As during previous rounds of IRM research, beneficiaries across VDCs complained that the first installment was not enough to begin rebuilding. Many had to take additional loans. Apart from clearing the land, beneficiaries commonly said they spent the first installment on buying sand, stones, bricks or wood for their houses.

Those beneficiaries who had not yet begun rebuilding, generally said they planned to use the first installment for rebuilding and had saved it in their beneficiary accounts or personal accounts. In Lisankhu VDC, Sindhupalchowk, some had deposited it in the local cooperative. However, while many said they wanted to use the grant for its intended purpose, they were often unsure whether they would be able to due to lack of funds. Chewang Lama from Baruwa VDC, Sindhupalchowk, said, “the 50,000 rupees are still with us. We are planning to bring sand and crushed stones with it before the monsoon because prices will go up. But we will only start rebuilding next year.” Karma Lama from Lisankhu VDC, Sindhupalchowk, said, “I can’t build a new house with 50,000 so I kept it untouched.” Nanu Tamang in the same VDC said she wanted to use the money for rebuilding but since

it was not enough she had yet also left it in the bank. Another resident of Baruwa VDC feared he might have to return the money if he could not fully rebuild and therefore did not dare spend his first installment. “People say that we will have to repay the money with interest if our house is not built. But I cannot make a house with only 50,000 so I did not bring home the money from the bank.”

A small number of beneficiaries spent the first installment or a part of it on improving their temporary shelters. In Barpak, Gorkha, a Dalit woman had given her first installment as a loan to a neighbor who had already started rebuilding and needed extra cash. In Baruwa VDC, alcohol consumption was reported to be very high in the days following cash grant distribution. In all VDCs there were reports of beneficiaries using a part of their grant for expenses related to the Dashain and Tihar festivals, as predicted in IRM-3.

Complaints

Grievance management committees were formed but inactive in VDCs visited, apart from in Barpak.

As reported in IRM-3, most complaints were collected alongside the CGA process at the VDC level but people could continue to file complaints after the CGA process was completed. In IRM-3 most complaint forms had yet to be dealt with and there was often confusion at the local level on who was responsible for processing them. By IRM-4, there had been progress. According to official MoFALD data released shortly after the research was conducted, 205,494 complaints had been filed of which 131,716 were cleared in May 2017.¹⁴⁷ All registered complaints were passed on to the NRA office rather than being reviewed and resolved locally.

Grievance management committees were formed in VDCs visited but were inactive apart from in Barpak, Gorkha. Complaints were filed at the VDC office, often with the help of Social Mobilizers and WCF members, and then sent to the DDC before being forwarded to the NRA. The Barpak grievance management committee was the only local committee that was actively reviewing and deciding on some of the submitted grievance forms.¹⁴⁸ The committee only forwarded 50 out of 76 grievances to the NRA, while all other VDCs forwarded all grievance forms. However, the DDC later asked the Barpak committee to also send the rest of the forms and sent all of them to the NRA.

¹⁴⁷ <http://www.mofald.gov.np/ne/node/2134>.

¹⁴⁸ See IRM-3 for more details on the Barpak grievance management committee in which political parties were involved, going against the guidelines.

Grievance management committees at the district level were equally inactive. It was expected, however, that the committees would begin work after the local elections when the process of re-verifying some of the grievances that could not be addressed by the NRA would begin. How precisely various local offices and committees would coordinate to review complaints remained unclear to local stakeholders involved. The LDO in Gorkha said that more human resources may be needed even though they had formed the grievance management committee and were “ready to handle complaints on our own.”

Large numbers of complaints were being passed back to the districts for further verification or reassessment. In Gorkha and Sindhupalchowk some complaints forms were lost.

In Gorkha, 15,903 complaints had been registered at the time of research. Of these, 2,959 had been approved and added to the beneficiary list, 5,162 were rejected, and 6,959 would need further verification or reassessment. More than 300 submitted complaints were reportedly lost and the rest still needed to be reviewed by the NRA. In Sindhupalchowk, 14,447 complaints had been registered by April 2017. Of these, 2,964 submitted in 25 VDCs had been processed and 565 were found ineligible as they had other livable houses. Fifty-eight were found as eligible after further review and 1,120 applications had no data or missing or wrong information. Around 6,000 complaints from 15 VDCs were reported misplaced or lost.¹⁴⁹ In Okhaldhunga, 8,019 complaints had been registered.¹⁵⁰ Of these, 346 had been approved, 4,575 rejected, 1,581 needed further field verification or reassessment and 273 had missing or mismatching data.¹⁵¹

The process of verifying and reassessing those households whose complaints could not be addressed by the NRA had not yet begun at the time of research.

Only a small number of complaints had been approved in VDCs visited. Most still did not know the results of the grievance process.

In all nine VDCs visited in Gorkha, Sindhupalchowk and Okhaldhunga, complaints had been registered.

The number of complaints was around 100-250 complaints in six VDCs but in three VDCs the number was noticeably higher: 622 in Dhuwakot (Gorkha), 457 in Lisankhu (Sindhupalchowk), and 465 in Katunje (Okhaldhunga).¹⁵² Uneven numbers of complaints across VDCs could be a reflection of inconsistencies in the CBS assessment but it also appeared that the number of complaints was higher in VDCs with lesser damage where more houses are likely to have been only partially damaged.¹⁵³

The number of approved complaints was comparatively small, between 0-25 in the six VDCs in Gorkha and Okhaldhunga where data was available.¹⁵⁴ The numbers of rejected complaints was higher but most complaints had not yet been decided on as they had either not yet been processed or needed further verification. As a result, most of those who had filed complaints remained uncertain about what had happened to their grievance forms and whether they would eventually receive the cash grant. Nearly all of the citizens interviewed who had filed complaints had not yet received any further information. “Nothing has happened to our grievances filed. I don’t even know whether it will be addressed or not. I don’t have any hope now,” said a resident of Lisankhu VDC, Sindhupalchowk. Similarly, a resident of Dhuwakot VDC, Gorkha, said, “I am unaware whether my grievance was heard by the government. I have received no information from the VDC or local leaders.” Those whose complaints had either been approved or rejected generally knew about the outcome but, as mentioned above, those added to the beneficiary lists had not yet received their first installment.

People expressed a preference for complaints to be reviewed locally rather than at the central NRA office.

People in VDCs visited remained largely unaware of the local grievance management committees. Most had not even heard of the committees and those who had, did not know what their roles were. Nevertheless, a preference for resolving complaints locally was often expressed in the nine VDCs where complaints had already been collected. Some thought that locals had a better understanding of specific problems and knew the context of complaints better and therefore thought it would have been more efficient to resolve complaints

¹⁴⁹ ‘No data’ might mean that the application was lost since a large number of applications (6,000) were reportedly lost in Sindhupalchowk.

¹⁵⁰ According to the CDO office, 8,019 complaints had been registered but according to the DDC, only 7,810 complaints had been registered.

¹⁵¹ These numbers were collected at the DDC at the time of research in early April and confirmed with other key stakeholders at the district level.

¹⁵² Numbers collected in VDCs visited at the time of research in early April 2017. These numbers are likely to have changed since.

¹⁵³ Refer to the IRM thematic study, and the IRM-2 and IRM-3 qualitative reports.

¹⁵⁴ No data on approved or rejected complaints was available for the three VDCs visited in Sindhupalchowk because complaints there had not yet been processed. (In Sindhupalchowk, complaints from 25 VDCs had been processed but the three VDCs visited did not fall within these 25 VDCs.)



Photo: Alok Pokharel

locally. The fact that most did not know what had happened to their complaints and were dissatisfied with the process likely only reinforced this sentiment.

Technical assistance

Despite improvements in access to technical assistance since IRM-3, gaps remained: several DUDBC engineer positions were still vacant and people in remote wards struggled more to receive technical advice.

In IRM-3, DUDBC-deployed engineers were under-occupied as most beneficiaries had yet to start rebuilding. By IRM-4, the engineers had become more involved and were more visibly present and active in the VDCs visited where the cash grant had been distributed. However, political party representatives in Gorkha still thought that they remained underutilized. By IRM-4, engineers deployed by the DUDBC were observed to be informing citizens about the housing grant process and building requirements and inspecting houses to determine whether they qualified for further installments of the grant. The engineers also processed application forms for the second installment submitted by beneficiaries who had completed the foundation of their houses. They verified the forms

and forwarded them to the DUDBC. I/NGO deployed engineers were providing assistance in three of the nine VDC visited in Gorkha, Sindhupalchowk and Okhaldhunga. Beneficiaries did not receive technical assistance from student engineers or the Nepal Army in any of the VDCs visited.

Yet, there were still shortages of engineers with many DUDBC engineer positions remaining vacant. In Sindhupalchowk, around 200 of 246 positions for government-deployed engineers were filled. Nevertheless, there were no areas in the district that remained without technical assistance according to key informants. In Okhaldhunga, 52 of 66 engineer posts were occupied according to the local NRA focal person. In this district, too, all areas had at least some technical assistance from engineers despite these staff shortages. Local residents and key informants in Okhaldhunga all agreed that those in the process of rebuilding were able to access technical assistance, although it sometimes meant travelling several hours to bring an engineer from further away to the construction site. In Gorkha a shortage of engineers was also observed. In addition to gaps at the VDC level, all five positions for engineers at the NRA office in Gorkha district headquarters were vacant. Local NRA representatives admitted that this affected their work as the office was lacking technical expertise.

In most VDCs visited where the housing grant distribution had begun, there were several vacant engineer positions. All assigned engineer/technician posts (usually three) were filled in only in three out of nine VDCs. In the other six VDCs, one or two engineer positions remained vacant or had recently become vacant. A high turnaround of engineers was reported. It was frequently mentioned that one or more engineers had resigned after receiving better job offers elsewhere. While the engineers generally worked from the VDC office, in at least two VDCs they were observed to be living outside the VDC and visiting only when called to inspect houses.

Nevertheless, no-one at the VDC level complained about engineers being entirely inaccessible. People generally contacted the engineers by phone, via the VDC office or in person when they were visiting their settlement. In four VDCs (Barpak and Tanglichowk in Gorkha, Katunje in Okhaldhunga, and Lisankhu in Sindhupalchowk) it was reported that people in remote wards struggled more to bring the engineers to inspect their house as the engineers did not visit as regularly in remote settlements. Beneficiaries in remote wards therefore often had to wait weeks before receiving technical advice. A resident in a remote ward of Katunje VDC said, “the technicians do not visit the ward regularly. I have demanded the VDC Secretary send the technicians to this ward on a regular basis. What kind of job they are doing, if they do not care about the houses built here?” In one VDC, Syaule in Sindhupalchowk, the only engineer posted there had recently left for Kathmandu and it was unclear when he would return. The VDC Secretary said he repeatedly asked the NRA to send another engineer but without success. “I counted that I went 10 times to the NRA office to ask them to send an engineer in the VDC but they still haven’t done so,” he said.

Coordination between I/NGO and DUDBC engineers varied.

In three of the VDCs visited, both DUDBC engineers and I/NGO engineers were providing assistance but the level of coordination and cooperation between them varied and respective responsibilities were not always clear. In Barpak VDC, Gorkha, engineers deployed by JICA and Ekikaran/CARE reportedly coordinated well with the government-deployed engineers according to key informants in the VDC, dividing different areas in the VDC between them and meeting regularly to discuss their work. However, a non-government engineer still thought that the assistance provided by his team was of better quality than the government engineers’ assistance: “I was well trained about the building codes but the government engineers were not trained well and there is a high turnover among government engineers. This is why there were some problems in the instructions given by them and [some of] the houses

built under their supervision have failed the NRA’s building criteria. People seek me out but I cannot approve the houses since I am not from the government.” In Baruwā VDC, Sindhupalchowk, an NGO engineer was involved in building model houses and a resource center for the VDC.

In Prapcha VDC, Okhaldhunga, there were three engineers from the Red Cross and one from the government. In Okhaldhunga district, Red Cross engineers were providing assistance in three VDCs where they were rebuilding 520 houses, including in Prapcha VDC.¹⁵⁵ Those rebuilding their houses in Prapcha said they were confused and frustrated because of differences in the advice given by government-deployed engineers and those from the Red Cross. The Red Cross engineers reportedly said it was fine to build a one-room, one-storey house while the government engineer said newly built one-storey houses had to have two rooms in order to qualify for further installments of the housing grant. When the VDC office called a meeting with all engineers in the VDC to resolve the issue, their disagreements reportedly caused conflict between them with the meeting ending in arguments. When DRCN researchers met with the engineers, however, they all agreed that the building guidelines were not flexible enough and admitted that they struggled to convince people to adhere to the guidelines.

Government-deployed engineers faced a variety of logistical challenges, which negatively affected their work. Some were able to overcome at least some of these and continue to support communities by finding creative solutions.

The DUDBC engineers struggled with various logistical issues across districts, which made their work more difficult and often reduced the effectiveness of their assistance. Common challenges faced by engineers included unclear instructions, frequent changes in instructions from the NRA and DUDBC and in approved housing designs, and insufficient training. Delayed provision of inspection forms to engineers, damaged tablets or cameras, limited internet access, lack of material and travel support and work space, having to work in difficult geographical terrain (the engineers had to cover large areas on foot), political pressures and low pay were also frequently listed as difficulties faced by engineers.¹⁵⁶ As a result of this

¹⁵⁵ In Gorkha and Sindhupalchowk, too, several I/NGOs were providing technical assistance in some VDCs and helped train the DUDBC engineers. JICA was particularly active in training engineers in Gorkha and Sindhupalchowk.

¹⁵⁶ The government-deployed engineers had previously protested for better working conditions and higher pay. They had been assured that their demands would be fulfilled but at the time of the research this was not yet the case.

Case Study 4.3: Purna's struggle to access the second installment of the housing grant

Purna Bahadur from Sindhupalchowk had already rebuilt his house, which cost him NPR 600,000. He had taken loans from a local moneylender and from relatives. He was now keen to receive the second and third installments of his housing grant to pay back some of his loans but this did not prove easy. Purna asked the engineers to visit his house and was reassured by an assistant engineer that he had met the building requirements. Purna then visited the VDC office, which was over half an hour walk from his house, three times. But each time, no forms to apply for the second installment were available. Later, Purna heard that the engineer

was filling up forms at his residence. So, he ran 45 minutes to visit him to fill up his form. However, he again was informed that the forms had run out. Whenever Purna called the engineer, he said he would not be back to the village for several weeks and Purna would only be able to apply for the second installment then.

"[The engineer] told me that I have already completed my house according to the building guidelines provided by the government. But when will I get the second installment? I do not believe that the government will provide us the second installment," Purna said.

lack of clarity and the practical difficulties, engineers struggled to follow instructions. Some developed their own responses, for example by photocopying forms locally, asking beneficiaries to submit their own pictures of building progress (if tablets were damaged), or taking extra measures to ensure the houses would follow the approved designs. For example, in Tanglichowk VDC, Gorkha, the engineers were very proactive in ensuring that each construction site had at least one certified mason who would know how to build according to the requirements. While such initiatives were positive, it also meant that the work of engineers was inconsistent and changes in procedures often remained unrecorded. Due to the generally difficult working conditions for engineers, there has also been a high turnaround of engineers with the government struggling to retain the most qualified ones.

Dissatisfaction with the quality of the assistance provided, or the advice given, was common. Satisfaction with engineers was higher in VDCs where engineers were more accessible.

Despite positive efforts by dedicated and proactive engineers to serve communities as best as they could, several complaints about the work of engineers were raised. Many thought the engineers were not sufficiently trained and lacked technical expertise. Some said they were young, immature and inexperienced or not motivated to do their work. Most commonly, people complained that engineers were not available or not able to give adequate advice when needed or that the turnaround of engineers meant that people

often received different advice at different stages during rebuilding if their house was not inspected by the same engineer throughout. Some also thought that the engineers only complained when something was wrong rather than providing assistance throughout the process of rebuilding: "The engineers are more the complaining types," said a key informant in Sindhupalchowk. "They do not provide assistance when people begin construction; instead they only inspect houses later and complain when something has gone wrong."

The limited monitoring of the engineers was also mentioned as a concern. In Sindhupalchowk, district level informants thought that due to the absence of VDC Secretaries in some VDCs, the presence and work of the engineers was not sufficiently monitored. However, even where present, VDC Secretaries sometimes struggled to ensure that the engineers would provide adequate assistance. This was due to the various logistical challenges that engineers faced and their high turnaround as well as due to a lack of willingness of engineers to follow instructions from VDC Secretaries who are lower-ranking officials compared to some of the engineer positions. In Syaule VDC, for example, the engineer reportedly made the VDC Secretary approve his attendance sheet for the next month before leaving for Kathmandu. The VDC Secretary said he repeatedly tried to reach the engineer and also requested the NRA to send other engineers to the village but without success.

In one VDC, concerns were raised that engineers were provided food and accommodation in villages they visited and that this might affect their ability to remain objective. In two VDCs, it was also mentioned

that the engineers may be taking bribes or giving in to local political pressures but this was difficult to verify. People seemed more satisfied with the engineers in places where they stayed in the village and therefore were more easily accessible. Yet, in all VDCs, some respondents thought that technical assistance arrived too late and engineers should have been more present and active during the early stages of rebuilding to prevent mistakes in building techniques and designs. This particularly applied to those who began rebuilding before they received the first installment of the cash grant.

The role of engineers was generally positive despite some complaints about their work. People often distinguished between the building requirements and the engineers, saying they were dissatisfied with the building designs—or the lack of clarity on building designs—but happy with the work of engineers. For example, Runjin from Baruwa VDC, Sindhupalchowk, who was unhappy with the building requirements explained, “I am satisfied with the work of the engineer. They have no option other than to follow the directives given by the central level.” Some engineers, on the other hand, said they had faced angry earthquake victims who accused them of misleading them.

No-one had received technical advice on retrofitting.

Retrofitting cash grants had not yet been provided and awareness of these grants and of retrofitting options was very limited in all VDCs visited. Only a small number of people had even heard of retrofitting. The engineers and other key stakeholders in the housing grant such as the VDC offices had also not received any instructions on retrofitting.

Building designs

Confusion about government-approved building designs was common. Beneficiaries frequently reported having been given contradictory advice.

Confusion around building requirements persisted. Those who had already rebuilt on their own or with non-governmental assistance were often unsure whether they would qualify for the housing grant. Others said they received contradictory advice from engineers during the inspection process or no technical guidance at all and were therefore unsure how to build. For example, in some locations the instructions given by government and non-government engineers differed, while in other areas, people had not received any advice on whether and how they could adjust the building codes to local cultural and practical needs, how much distance to keep from roads, or whether

they could repair/retrofit their house. As a resident in Dhuwakot VDC, Gorkha said, “Many engineers recommended specific building designs, but later they fail to approve the very designs they recommended.”

Some engineers complained that they felt uncomfortable having to change their advice to beneficiaries when central level instructions changed, because they knew this would cause confusion. For example, an engineer in Tanglichowk VDC said, “In the training, we were told that if the ground floor has complied with the criteria, there is no problem in case the owner builds the first floor with zinc sheet and iron frames. But now the guidelines we received do not allow us to recommend those houses. The house I am living in here in the VDC has this problem. I am ashamed since I had supervised my host’s construction from the very beginning. Villagers have accused us of changing our own words.” An engineer in Barpak said, “Earlier we asked people to erect 9” x 9” pillars. Later, government came up with the 2073 building guidelines and we were required to ask people to erect 12” x 12” pillars instead. Many households had already reconstructed their houses erecting 9” x 9” pillars on the basis of our instruction and now they cannot claim their second installment. Earthquake victims are now furious with us. It is very difficult for us to stay in this VDC. The earthquake victims think that we misguided and misinformed them but this is not true.”

Many also had complaints about the approved building designs, which they thought were too expensive or unsuited to their needs.

Many were hoping for more flexible building codes as they found the NRA-approved housing models to be culturally insensitive, impractical or too expensive. Common complaints were the lack of storage space and the specific needs of those with disabilities or single women living alone not being considered.¹⁵⁷ In Okhaldhunga, Rais and Limbus were reported to prefer their traditional architecture as it was better suited to their cultural sensibilities. In Barpak, Dalit families said, “Traditional and wooden houses have been completely ignored since the technicians have given priority to concrete houses. But those houses are expensive. What to do if one cannot afford it?” In Baruwa VDC, Sindhupalchowk, the Tamang community said they found the approved house models unsuited to their needs and traditions. The engineers stationed in the village explained that Tamang houses traditionally have a large, long, single room on the ground floor but that the building codes require two rooms and also do not allow for the ground

¹⁵⁷ Those with disabilities and single women generally preferred to live in a one-room house rather than the two-room houses proposed by the NRA.

floor to be larger than 12” x 12”. Sangabo Syanbo from Baruwa said, “Tamangs need big rooms. When a marriage or death ceremony is conducted we have to keep our Lamas and maternal uncles all inside the room. Now, the engineers do not allow us to increase the house by an inch. We are in trouble. What to do, we have to compromise anyway.” Muyi Lama from the same VDC similarly did not like the building designs: “According to the building code we are supposed to make a small house with two rooms. How can it be sufficient? We need rooms for family members, for the kitchen, for guests and for storing food. The guidelines are very strict. We are investing our money but are not allowed to build according to our needs and own ideas. I didn’t like that. I will not rebuild my house for at least two more years. We want to make a strong house. We don’t want to die. But the building should be made a bit more flexible. Culturally, we Tamangs build houses with big rooms, which is not allowed by the design of the NRA. How about they allow us to build three rooms instead of two rooms but advise on how to make it strong structurally? I am scared with these building guidelines.”

Engineers generally agreed with local communities that the approved building designs were not flexible

enough to be adapted to local needs. It should be noted, however, that communities as well as engineers seemed unaware about the fact that even houses that did not follow the approved building models could still qualify for the second and third installments as long as they followed the principles of the 2073 building codes.

In Barpak, local residents feared the loss of traditional architecture.

Before the earthquakes, Barpak used to attract tourists as it was a beautiful traditional Gurung/Ghale settlement with traditional houses with stone roofs. Tourists used to stay in traditional homestays. But the traditional architecture is now likely to disappear and residents feared this would mean a loss of incomes from tourism in the long run.

Few traditional houses were being rebuilt in Barpak and there was no uniformity in the way houses were being rebuilt. Most built RCC (reinforced cement and concrete) houses. Yet, locals thought that the traditional settlement of Barpak and the beauty of Barpak would be lost. “People think that RCC houses are stronger than traditional ones ... This is threatening the beauty

Case Study 4.4: Low compliance with approved building designs

Lalkaji’s house in Syaule VDC, Sindhupalchowk was completely damaged during the first earthquake. He started rebuilding his house within days after the earthquake, employing 31 laborers to rebuild fast. He spent NPR 490,000 (NPR 250,000 of his own money, 170,000 of his wife’s and 70,000 of his son’s money). When the second earthquake struck he only had the roof left to put up but his new house was also damaged with major cracks in the wall. Lalkaji said he had been in a hurry to rebuild so his ten family members and small grandchildren would not have to stay in small tents for very long.

Lalkaji said it was very difficult staying in tents and temporary shelters. They feared for their lives during storms. So, he started rebuilding his house once again, taking a loan of NPR 650,000 from relatives. He used brick and wood for his house. At the time, there were no engineers or trained masons in the village and no-one knew how to make earthquake-resilient structures. When the engineers came after the completion of his house, it was not approved

as earthquake-safe and eligible for the housing cash grant. Lalkaji said he received the first installment of the grant but fears he would have to return it since he was not found eligible for government support. Lalkaji was frustrated about the government’s late support during reconstruction. “Where was the government when I built my house?” He has no money left to rebuild once again using the approved building designs.

Many others in the VDC were found not eligible for further installments of the housing grant as they did not follow the building codes. People started rebuilding their houses on their own, before government and technical support, because they needed somewhere to keep their crops. In their opinion, the reconstruction scheme and information on building designs came much too late. Now they were angered about not receiving the full housing cash grant, which has left many in debt and without the cash they had counted on to repay their debts.



Photo: Alok Pokharel

and tradition of this place,” said a local leader. Some of Barpak’s residents thought that the government should have developed an integrated plan for rebuilding traditional settlements to ensure a more uniform look. They also thought that the local body should have taken the initiative to develop a plan. Laprak, the neighboring VDC, which was being rebuilt by the NRA and had an integrated redevelopment plan, would attract all the visitors in the future, they feared.

Compliance with approved building designs was reported to be low but those whose houses did not pass the inspection had not yet been told since there were expectations that more flexibility in building guidelines would later be granted by the government.

Compliance with the building requirements to receive further installments of the housing grant was observed to be low. Reasons were both the lack of awareness about the requirements as well as deliberate violations of the building codes because these were deemed too expensive, impractical or too difficult to implement due to lack of certain construction materials or the lack of adequate technical assistance. For example, in Barpak VDC, Gorkha, Dalit families said they could not afford to follow the building requirements. In several VDCs, people reported that they did not have large enough land to implement the building codes. This was particularly so in urban areas where plots of land tend to be smaller and a new requirement for houses’ distance from the road meant that less of the available land could be built on. It was estimated across VDCs

visited that more than 20 percent of beneficiaries would not qualify for subsequent installments of the housing grant.

Yet, houses that had failed the inspection process had not yet been informed of this. In the VDCs visited, no households had been officially informed that they would not qualify for further tranches of the housing grant but many feared they would not due to the late provision of the second installment and prevalent confusions around what the correct building guidelines were. Those who were found to have made mistakes during the inspection by engineers had been advised to make corrections. The engineers also expected that the building guidelines would become more flexible moving forward and more houses might retrospectively qualify after amendments to the guidelines. A local DUDBC representative said, “The 2073 building criteria are very tough and rigid to follow. People are facing difficulties in following these criteria. Therefore, there have been discussions that a scoring method, in terms of percentage, would be followed in the future on the basis of 2073 building criteria to allow people a higher chance of receiving further tranches of the cash grant.” In Gorkha, the inspection forms for those houses that failed to comply with the building codes were reportedly stored by the engineers in the VDCs or the DUDBC at the district level for the time being while amendments to the building codes were awaited. In Okhaldhunga and Sindhupalchowk, too, the course of action for those houses that had failed the inspection process had not yet been decided.

4.5 Coordination

A lack of clarity on the respective responsibilities of different government bodies, coordinating mechanisms and local NRA offices continued to hinder effective coordination between them and reduce efficiency.

As observed in IRM-3, different government line agencies were involved in various aspects of earthquake recovery, such as the DAO, DDC, DUDBC, District Technical Office and District Education Department, among others. Yet, there was little formal coordination between these bodies and with local NRA offices. Communication was ad-hoc and not always effective, with local government officials at the VDC and district level frequently complaining that their concerns remained unaddressed.

HRRP district offices had become more active since IRM-3 and were holding regular coordination meetings to bring together different actors involved in reconstruction in Gorkha, Sindhupalchowk and Okhaldhunga. Many said this had improved coordination but in Sindhupalchowk, a DUDBC representative thought the HRRP was unnecessary and it would have been more effective if the government had established an effective coordination mechanism. The DCCs, which were created by the government to coordinate and monitor reconstruction efforts at the district level, were not active and did not take a coordinating role (see Chapter 5.1).

Dissatisfaction with the roles of and coordination with the NRA persisted at the local level.

Local government officials and several other civil society stakeholders continued to argue that the NRA was unnecessary, especially at the local level, and that its work could have been implemented through already established offices and government line agencies. They still thought that the establishment of the NRA had actually hindered reconstruction as it delayed their work and introduced another layer of bureaucracy. For example, a DUDBC representative thought that since all the actual work was being done by government line agencies, the NRA was simply a ‘parallel institution’ unable to efficiently coordinate and implement work on its own. A government official in Gorkha’s district headquarters similarly said, “the NRA’s effectiveness is subject to the work of other line agencies such as the District Technical Office, District Road Office, and the DCC and DUDBC offices. All these line agencies have their own mandates and the NRA is an added burden to them.” He explained that the NRA asked these line agencies to take on additional work without adding human resources or providing other incentives. The

HRRP office in Gorkha admitted that the fact that the NRA was asking government line agencies to work outside their traditional mandates was difficult for them due to the lack of additional human and financial resources. The NRA focal person in Okhaldhunga agreed that added workload for line agencies had caused conflict between them and the NRA in the past.

The NRA was seen as doing little to effectively coordinate reconstruction efforts at the district level. With I/NGOs coordinating with government line agencies, and the NRA having little authority over line agencies, it had proved difficult for local NRA offices to coordinate all actors involved in the districts. In Gorkha, where the local NRA office was viewed as weak, key informants further explained that the CDO’s position ranks above that of the NRA district coordinators, which reduces their ability to direct government offices and coordinate their work. Local government officials frequently complained that the NRA was too slow to respond to their questions and suggestions with local NRA offices being understaffed and having to refer to the central office on most matters. Most often they complained about the slow distribution of application forms for the second installment and the delayed provision of the second installment as well as a lack of clear and timely instructions from the center and the NRA on changes to the housing grant program.

Coordination between I/NGOs and local government offices had improved and as a result, the perception of I/NGOs by government officials, civil society and political parties had also improved.

Coordination between government offices and I/NGOs had improved in Gorkha compared to previous rounds, and government officials in the district had become more positive about the activities of I/NGOs. Political leaders on the other hand thought that despite the large investment by NGOs only a few had done a good job. A UML representative, however, believed that NGOs had improved a lot since better coordination mechanisms had been put in place: “before, NGOs were spending unnecessarily on their logistics and less on the earthquake victims. Now, the situation has improved. Since the DDC has given clearer instructions, I/NGOs are much more regulated”. In Gorkha, the DDC had issued and strictly monitored a directive for the mobilization and work of I/NGOs, which helped improve coordination between government and non-government organizations. A journalist believed that government agencies were not reaching the people in need, whereas I/NGOs were much more efficient in helping reconstruction and following up on their work.

In Sindhupalchowk, the DDC had also been increasingly monitoring the work of I/NGOs and attempted to better coordinate their work but was less successful than the DDC in Gorkha. INGO representatives in Sindhupalchowk thought that coordination with the DDC had improved. A high-ranking government official in the district, however, had mixed feeling about I/NGOs. On the one hand, he believed they did good work and were quicker than the government at providing aid and cash assistance. On the other, he had had one bad experience with an I/NGO, when he was intimidated by the I/NGO and its political affiliates after refusing to allow the implementation of a program: “The government wasn’t running the organization but the organization was running the government. The big organizations have good connections with political leaders and high-level bureaucrats. On that basis, they pressure us.” The NRA official in Sindhupalchowk appreciated NGOs, noticing they had worked in remote VDCs such as Gumba and Golchhe, and the District Education Officer said they played a vital role in the rebuilding of schools, though he felt some organizations were only looking to show off their

achievements. The VDC Secretary of Lisankhu added: “I want to praise the work of NGOs. If they hadn’t been there, the government wouldn’t have been able to handle the problems.”

Both the NRA district spokesperson and the CDO of Okhaldhunga said they had contacted their central-level office asking for more NGOs to be sent to the district, as they feel they were not getting enough support, which indicates they welcomed the presence of NGOs. The HRRP district coordinator in Okhaldhunga said there were difficulties in coordination in the past, but the situation had improved considerably since the NRA had set up office in the district.

Coordination was reported to be better in the education sector and to some extent in the health sector, through separate coordination committees, which explains the better progress in rebuilding infrastructure in these sectors (see Chapter 3.4). In the livelihoods sector, there was little to no coordination between different actors (see Chapter 4.2).

Chapter 5

Politics and Leadership



Photo: Alok Pokharel

Key Findings:

The roles and activities of political parties

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

The announcement of local elections and local body restructuring

- The announcement of local elections impacted reconstruction. The enforcement of the Election Code of Conduct from March 1, 2017, meant that reconstruction cash grant distribution was halted in three districts where it had already begun. In Solukhumbu, where cash distribution was yet to begin, the distribution of the first installment was postponed until the end of the second phase of the local elections, held on June 28, 2017.
- The Election Code of Conduct meant that NGOs and INGOs were not allowed to initiate new

programs in villages or to distribute aid following the announcement of the local elections. Some interviewees suggested that the recruitment of temporary police to strengthen election security could affect the availability of masons in villages with many trained or potential masons finding work as temporary police for the election period.

- Local officials who are involved in the reconstruction cash grant distribution process were also expected to carry out election-related responsibilities, thereby affecting their ability to focus on earthquake recovery and reconstruction tasks.
- Apart from local elections, local body restructuring did not have any impact on reconstruction activities in the areas visited in IRM-4.

The emergence of new leadership

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

Box 5.1: IRM-1 (June 2015), IRM-2 (February and March 2016) and IRM-3 (September 2016) findings on politics and leadership

The impact of the earthquakes on local political dynamics and leadership was limited; no significant changes to the roles of, or levels of support for, political parties and local leaders were reported.

IRM-2 found that Ward Citizen Forum (WCF) coordinators, local activists, and teachers, who had already been active during the early relief phase, were gradually becoming more aware of their own leadership roles but did not challenge existing leaders and local political dynamics. However, in IRM-3 the technical and bureaucratic approach of the reconstruction process in general, and the cash grant agreement process in particular, were identified as factors that did not give an opportunity for the emergence of new leadership in the communities. In IRM-1, political parties were actively involved in the distribution of aid in the communities. However, with the decrease in aid distribution, and an increased focus on the reconstruction of damaged houses, there was a gradual decline in political party involvement in recovery and reconstruction. In IRM-3 it was reported that dissatisfaction with political parties was high amongst citizens. Dissatisfaction was mainly due to the lack of formal involvement of political parties in earthquake related activities rather than anger at any real or perceived politicization of relief or reconstruction work.

Preexisting local governance and political dynamics shaped decision-making after the earthquakes with government officials, especially VDC Secretaries, continuing to consult political parties on local issues and relying on them to conduct their work. As reported in all three rounds of research, local communities continued to turn to their political leaders for information and assistance. Political parties also continued their customary influence in local decision-making processes. This position played by parties sometimes resulted in isolated incidents of conflict between parties or in the

politicization of relief, cases of which were reported in IRM-2. The involvement of political parties in the first two rounds of damage assessments also became controversial, as community members believed that political parties were influencing their results. However, in IRM-3 it was reported that while political parties still influenced local decision-making, their influence on recovery and reconstruction had declined. This included a decline in instances of political interference in the recovery and reconstruction process and the CBS assessment in particular.

Political parties had largely returned to their regular activities by early 2016.

In IRM-3, it was reported that the earthquake and reconstruction-related activities of political parties continued to decline. In IRM-1, political parties were still heavily involved in relief distribution committees at the district and VDC levels and, in some places, were found to have conducted their own relief and reconstruction efforts. During the early relief phase, local government officials generally relied on political parties to take decisions collectively and address conflicts related to relief distribution, often through informal meetings that functioned in a similar way to All Party Mechanisms. In IRM-2, however, the involvement of political parties had declined largely due to the fact that local mechanisms exerted less influence over decisions related to reconstruction than they had in the relief phase, which ended in late 2015. In IRM-3, the role of political parties in the recovery and reconstruction process had further decreased. Political parties were not given any formal role in the reconstruction process. The District Coordination Committees (DCCs), which were formed after the second round of research, failed to have a significant impact on decision-making in the districts. However, IRM-3 found that political parties were still able to informally facilitate and coordinate the reconstruction grant distribution process in their communities.



Photo: Nayan Pokharel

5.1 The roles and activities of political parties

The limited room for formal engagement of political parties in the recovery and reconstruction processes at the local level continues to hold true in IRM-4.

Political parties and their representatives continued to have no formal roles and responsibilities. As reported in IRM-3, new policies and guidelines, issued after the establishment of the NRA in early 2016, either explicitly prohibit political party involvement in reconstruction at the local level or do not mention political parties.¹⁵⁸ No changes in the formal roles of political parties was observed in the field. Political parties have not carried out any earthquake-related activities since IRM-3 in any of the wards, VDCs or districts visited during the research. However, in two wards in Barpak VDC in Gorkha and Syaule VDC in Sindhupalchowk, political parties were planning to design their local elections campaign around reconstruction-related issues. As one local leader in Dhuwakot VDC, Gorkha, said: “Local political parties have taken the demands and interests of earthquake victims up to the DDC office and NRA office but these offices never address

the proposals and requests of political parties. The efforts of local political parties to address the demands and interest of earthquake victims fail to materialize because of central government policies and programs.”

The informal roles of political parties in relation to the recovery and reconstruction process have also declined, partly due to them no longer being needed.

The informal roles of political parties that were reported in IRM-3,¹⁵⁹ were not observed during IRM-4. These roles had included providing logistical assistance in the reconstruction cash grant agreement process, information dissemination, leading protests on behalf of community members not satisfied with the CBS damage assessment, and settling disputes between community members and local officials. A decline in the informal roles of political parties is partly due to limited aid distribution in communities, the slow progress in distributing the reconstruction cash grant since IRM-3 and the announcement of local elections.

¹⁵⁸ IRM-3 qualitative report, p. 33. The reconstruction process is governed by the Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (<http://nra.gov.np/uploads/docs/EunALRqKz4160520062602.pdf>); Reconstruction of Structure Damaged by Earthquake Rules 2016 (available at: <http://nra.gov.np/uploads/docs/ccy9p7aMe7160424102050.pdf>); The Procedures Relating to Grievances Management with Regard to Reconstruction and

Restitution 2016 (available at: <http://nra.gov.np/download/details/132>) and Procedure for the Technical Supervision of the Reconstruction of Private Houses 2016 (available at: <http://nra.gov.np/uploads/docs/KSddafxXzp16111065308.pdf>). None of the procedures, rules and guidelines describe official roles for political parties and their local representatives.

¹⁵⁹ IRM-3 qualitative report, pp. 32-33 and pp. 38-40.

Although both the formal and informal roles of political parties have declined, political party representatives occasionally claimed that they could still play an important role in the recovery and reconstruction process.

For example, a political party representative in Gorkha claimed that political parties could still have an important informal role yet party representatives did not specify any particular tasks they could assume.

Political party representatives did not make any effort to follow up on the negotiated settlements of protests that were reported in IRM-3.

During IRM-3, political party representatives participated and, in some cases, led protests against the cash grant process thereby delaying the beneficiary agreement process in eight out of 12 VDCs visited (in Gorkha, Okhaldhunga, Ramechhap and Sindhupalchowk districts). Parties were actively engaged in facilitating agreements between protesting community members who were not included in the beneficiary lists and district officials. However, field data from IRM-4 do not show any effort on the part of political parties to follow up on the agreements that they had facilitated during IRM-3.

In Solukhumbu, it was not yet clear what roles political parties would play in the beneficiary agreement process as it had just begun during the field visit. However, field data from the CBS assessment process in the district from early 2017 indicates that political parties were not involved the process.

The District Coordination Committees (DCC)¹⁶⁰ formed under the NRA have become even less active since IRM-3.

Researchers could not find any evidence of DCC meetings being held since IRM-3 in three districts (Gorkha, Okhaldhunga and Sindhupalchowk) where DCCs had been established earlier. In Solukhumbu, a DCC was yet to be established. A government official felt that the inactivity of the DCC was due to the limited authority given to DCCs. According to the Local Development Officer in Sindhupalchowk, the DCC, “lacks real power and, since it cannot change the decisions of NRA, it mainly serves as a ceremonial committee” that cannot influence the recovery and reconstruction process. In

addition, and as reported in IRM-3, Members of Parliament who participate in DCCs continue to remain busy in Kathmandu and have therefore been unable to hold DCC meetings in their districts.

The restructuring of local government units and the announcement of local elections increased political activities.

Compared to IRM-3, the presence of local political parties and their activities were found to have increased during IRM-4. The increase in political activities was primarily due to the restructuring of local government units and the announcement of local elections. In all VDCs but one (Barpak VDC in Gorkha), political party activities were reported. Parties held regular internal meetings, reorganized local party units and began preparations for local elections. In Baruneshwor VDC in Okhaldhunga parties organized protests against the restructuring of local units.

Increased activities did not mean that parties were working on reconstruction issues or able to affect the recovery and reconstruction process.

There were only two cases found where political parties were working on reconstruction. In Baruwa VDC in Sindhupalchowk, the CPN-UML claimed that it was lobbying for a “new program” that would increase the amount of the reconstruction cash grant; in Dhuwakot VDC in Gorkha, a local leader claimed that political parties regularly raise issues concerning earthquake victims at the district headquarters. However, in general, no political party claimed that they were engaged in or were planning to focus on recovery and reconstruction activities.

No incidence of protest or political interference was reported in the distribution of the reconstruction cash grant or in the work of NGOs since IRM-3. This can probably be attributed to the limited reconstruction cash grant distribution in Gorkha, Okhaldhunga and Sindhupalchowk and the absence of beneficiary agreements in Solukhumbu. The protests and political interference in the work of NGOs that were reported in IRM-3 in Sindhupalchowk and Gorkha districts did not continue during IRM-4. In Syaule VDC in Sindhupalchowk district, the CPN-UML and CPN-MC parties accused NGOs of being politically motivated in their work in the VDC. However, they stopped short of

¹⁶⁰ According to the NRA’s Post-Disaster Recovery Framework (PDRF), in each of the 31 earthquake-affected districts a District Coordination Committee (DCC) (not to be confused with the District Coordination Committee, formerly known as District Development Committee, which is responsible for overall development activities and local governance in a district) was to be

established to coordinate and monitor reconstruction in districts. The DCC includes district officials and Members of Parliament from the concerned district and is led by a Member of Parliament on a rotational basis. http://reliefweb.int/sites/reliefweb.int/files/resources/PDRF%20Report_FINAL10May.pdf.



Photo: Nayan Pokharel

interfering with the work of NGOs and, as in IRM-3, political parties did not disrupt relief distribution conducted by NGOs. In Solukhumbu, the field data also indicate that there was no interference by political parties or any other group in the CBS damage assessment process.

The protests that did take place in the VDCs and wards visited for the field study were all in response to the decision taken in Kathmandu to restructure local government units. In Baruneshwor VDC, for example, political parties organized a protest against local level restructuring of the VDC. However, the protest did not affect the recovery and reconstruction process in the VDC.

Political parties and local government officials continued to work with each other and relied on each other to make decisions affecting local governance.

Political parties continued their customary influence on the local administration and decision-making processes concerning local development, the budget allocation and other activities, but not on issues relating to post-earthquake recovery and reconstruction. Furthermore, there was no indication of conflict or a lack of cooperation from political parties in the administration of local governance in the VDCs visited during the research. Neither cooperation between local government officials and political parties nor the customary influence of political parties on local governance had any impact on recovery and reconstruction issues in the VDCs and wards visited.

Community members' perceptions of political parties

People continue to remain disappointed with political parties regarding their post-earthquake role.

Community members regularly raised their concerns with local political parties and their representatives with regard to the CBS damage assessment results and procedural hurdles in accessing the reconstruction cash grant. However, community members across the districts visited expressed the view that political parties were not responsive to the demands of people in general and that lack of attention to recovery was thus relatively normal. Unfavorable community perceptions about the role of political parties have remained the same since IRM-3. Among 233 community members that were interviewed during the field research, 162 were dissatisfied with political parties in some way. Only 44 community members said that they were satisfied or somewhat satisfied with political parties. The field data from Barpak VDC suggest that the displaced and Dalit populations, in particular, were not happy with the role of political parties since the earthquake. A business owner in Barpak VDC, Gorkha, said: "Local political parties have not been able to address the problems and concerns of Dalits. When a local political leader, who is a Dalit himself, has failed to address the resettlement of the Dalit community, how can we expect other political parties and leaders to address our demands?"

5.2 The impact of local elections and local body restructuring on reconstruction and recovery efforts

The creation of new local units in place of existing municipalities and VDCs did not seem to have a significant impact on the recovery and reconstruction process.¹⁶¹

The field data do not indicate what type of impact the restructuring of local government units will have on the recovery and reconstruction process in the future. Community members and earthquake victims were not yet sure what impact the restructuring process would have on the reconstruction process. Local officials in 11 out of the 12 VDCs visited during the field study were confident that the restructuring of local government units would not negatively affect the reconstruction process. Local officials in those VDCs stated that beneficiaries of the reconstruction cash grant would be served from the same place/office as before, even though local government units had changed. However, in Syaule VDC in Sindhupalchowk, local officials showed apprehension, believing that the change in local government units would slow down the distribution of the second installment of the cash grants as they were not well informed of their roles under the new local governance arrangements. In Solokhumbu, where the CBS assessment was at the final stage of completion during IRM-4, the restructuring of local units had no impact on the assessment process.

Preparations for the local elections had an impact on the reconstruction process. The main impact was the temporary suspension of the distribution of reconstruction cash grants until the end of the elections.

As the code of conduct for the elections came into force at the start of March 2017, the distribution of reconstruction cash grants in the villages was halted. According to the Election Code of Conduct 2015¹⁶², the government is barred from conducting or transferring funds for new programs that are not included in the annual budget and program of the state after the an-

nouncement of elections. Although the reconstruction cash grant is not a new program, and it was part of the annual budget of 2016/17, local officials in all districts decided that the Code of Conduct was still applicable. As a result, distribution of the first installment in Solukhumbu, and of the second and third installment in the three other districts, was halted. The process of grant distribution was also halted for households who had recently become eligible beneficiaries after their complaints were addressed as part of the grievance process and they were added to the beneficiary list. District and local officials also expected that they would be assigned election-related responsibilities and therefore would not be able to focus on the reconstruction cash grant distribution, complaint management process and other reconstruction-related activities.

Preparations for the local elections also affected the NRA's grievance management efforts in Gorkha.

The Chief District Officer (CDO) in Gorkha accepted that district officials would not be able to complete reverification of grievance applications sent from the NRA to the district before the end of the elections on May 14, 2017, as they had to carry out election-related responsibilities and could not focus solely on reconstruction cash grant distribution. The CDO in Gorkha said, "because of upcoming local elections, we will not be able to look into grievances. We have already been spending a lot of time on election-related activities."

The application of the Election Code of Conduct also affected the work of NGOs and INGOs.

District authorities instructed NGOs and INGOs not to distribute relief materials or implement new programs relating to earthquake reconstruction in the month preceding the first phase of local elections in mid-May 2017. NGOs and INGOs in Gorkha, for example, were instructed by district officials not to distribute aid to

¹⁶¹ The Constitution of Nepal promulgated in 2015 created three tiers of government: local government, state government and federal government. In March 2017, the Commission for Restructuring of Village, Municipalities, and Special, Protected and Autonomous Area, commonly known as the Local Body Restructuring Commission (LBRC), recommended the establishment of 744 new local government units that replaced over 3,000 previous local units, VDCs and municipalities. For more information, see

DRCN, *Preliminary Findings on Local Body Restructuring at the Local Level*, September 8, 2016, available at: https://drcnepal.files.wordpress.com/2016/09/drcn_local-body-restructuring-in-nepal_-09-08-16.pdf. See also a follow up note, available at: http://democracyresource.org/admin/images/Local%20body%20Restructuring%20Statement_Nepali.pdf.

¹⁶² <http://www.election.gov.np/ecn/uploads/userfiles/electioncodeofconductFinal2073-12-25withsecondamendment.pdf>.

Case Study 5.1: Scheduled local elections further delay the cash grant process

In late December 2016, the CBS started a damage assessment of private houses in order to determine eligibility for the housing cash grant in Solukhumbu. The CBS assessment of damaged houses was carried out in 11 of 14 VDCs and in one municipality between the beginning of January 2017 and the first week of April 2017. The assessment in three VDCs in the upper Khumbu Region (Chaurikharka, Khumjung and Namche) remained suspended due to the ongoing peak tourism season in the region, with the majority of local people involved in trekking and tourism until at least the end of May 2017. Once the assessment was completed the NRA sent district authorities a list of beneficiaries from the assessed VDCs and the municipality and instructed district authorities to formally begin the beneficiary agreement process on April 9, 2017.

The District Coordination Committee, formerly the District Development Committee, put together a quickly organized official ceremony to launch the beneficiary agreement process in Kerung VDC, which had been merged with Dudhkunda municipality after the recent local body restructuring. A demonstrational agreement was made with 10 selected beneficiaries in the ceremony which was attended by senior district officials, NRA and CBS officials, representatives of political parties and journalists.

However, with focus directed towards the upcoming local elections scheduled for May 14, 2017, the cash grant agreement process was stopped indefinitely. Although the DCC did not make an official decision to formally suspend the process, both DCC and VDC officials said it was unlikely that the process would resume until the completion of local elections. The Local Development Officer (LDO) cited two major concerns about continuing the process with elections around the corner. The LDO said, “People—VDC Secretaries, Social Mobilizers and Ward Citizen Forum members—the people who will be mainly responsible for carrying out the agreement process, have already been deployed for election-related campaigns like voter education and it will be just impossible for them to do both tasks.” He further added, “We are also concerned that political parties could potentially use the beneficiary lists to further their election agendas.”

With uncertainty about the local elections and their impact on the national polity, the long wait of earthquake survivors for government cash assistance to rebuild their houses is certain to continue in Solukhumbu. Given severe delays and the challenges identified in carrying out cash grant distribution in the 14 previous districts, it may be a long time until Solukhumbu’s earthquake survivors receive the cash assistance of NPR 300,000 promised by the government.

people before the end of the elections.¹⁶³ Similarly, the VDC Secretary in Lisankhu VDC in Sindhupalchowk requested organizations working on reconstruction in the district stop implementing new programs until the end of the elections. A representative of Oxfam, an international NGO, in Sindhupalchowk confirmed that Oxfam would stop its beneficiary selection process until the end of the election in mid-May 2017.

The local elections were also expected to impact the availability of masons.

According to a senior police officer in Sindhupalchowk, many young people who had received mason training had joined the temporary police force in the district. In all districts where elections were scheduled, the Government of Nepal had hired local youths as tem-

porary police for the duration of the election period.

While the preparations for local elections seemed to have had an impact on the recovery and reconstruction process, community members also expected the process would speed up after the elections were held.

For instance, community members in all three research VDCs in Solukhumbu felt that reconstruction in their VDCs would quicken after the local elections. In Barpak and Dhuwakot VDCs in Gorkha, political parties promised better reconstruction as their cam-

¹⁶³ My Republica, I/NGOs asked to halt work until elections, available at: <http://www.myrepublica.com/news/17845/>.

paingn pledge. Community members in Syaule VDC in Sindhupalchowk, where political parties were involved in coordinating aid distribution immediately after the earthquake, expressed hope that people would keep in mind the assistance they received from various political parties after the earthquake when they were voting. Other expressions of support towards political parties that were involved in aid distribution, or towards parties that contributed to the reconstruction process in general, were not found in other VDCs or districts.

Although community members were generally disappointed with the role of political parties in the post-earthquake recovery and reconstruction process, there was no clear

indication that the state of recovery would impact the outcome of the local elections.

Community members did not feel that the state of recovery would affect their vote for local representatives. Out of 233 community members, only 42 said it would shape their vote. Local political party representatives also felt that the outcome of the elections would not be determined by the state of recovery in the villages. A political party representative in Lisankhu VDC said that the earthquake was a “past agenda” and that local elections would be about the overall development of local units rather than post-earthquake reconstruction and recovery.

5.3 The emergence of new leadership

New leadership at the local level has not emerged since the earthquakes in the areas visited.

Some indications of the possibility of new leadership emerging was reported in IRM-2.¹⁶⁴ But since IRM-3, it has become clear that this would not eventuate. In

Barpak VDC, where political activity is low compared to other VDCs visited, Naya Shakti, a newly established political party, seems to be gaining a stronghold. But with the conclusion of local elections, it is likely that the traditional leadership roles of the major political parties will be strengthened even further.¹⁶⁵

¹⁶⁴ IRM-2 qualitative report, pp. 36-37.

¹⁶⁵ The administrative units of local governance in Nepal operated at three levels until March 2017: the district, the municipality/Village Development Committee and wards. The District Development Committee (DDC), the municipality/Village Development Committee (VDC) and the Ward Committee were supposed to be run by elected officials with the help of centrally and locally appointed bureaucrats. However, local elections have not been held in Nepal since 1997. In 2007, after the end of the Maoist insurgency, All Party Mechanisms (APMs) were instituted to promote political consensus at the local level and to formally

assist local officials to carry out their responsibilities. However, after widespread allegations of corruption and on the recommendation of the Commission on the Investigation of the Abuse of Authority (CIAA), the APM system was formally disbanded in January 2012. As such, government-appointed bureaucrats, such as Local Development Officers (LDOs) in the DDCs, Chief Executive Officers in municipalities, and VDC Secretaries in VDCs continued to lead local governance rather than elected officials. Nevertheless, political parties continued to influence local governance in an informal capacity. For more see *Local Governance in Nepal: Public Perceptions and Participation*, The Carter Center, February 2014.

Chapter 6

Economy and Livelihoods



Photo: Alok Pokharel

Key Findings:

Recovery of livelihoods

- Subsistence farmers are struggling and unable to earn enough to fully recover.
- As people look for non-agricultural jobs, and engage in reconstruction work, it is more difficult to find labor for farming. This is creating more sharecropping opportunities, especially for Dalits.
- Demand for laborers for reconstruction has increased as have wages.
- Markets for businessmen have fully recovered and enterprising businessmen are taking advantage of new opportunities.

Livelihood needs

- Demand for livelihoods support is still widespread. Specific needs include water, agricultural inputs, employment opportunities and income generation programs.

Coping strategies

- The housing cash grant size is insufficient and, as a result, borrowing continues to increase. However, people are not accessing the government's loan scheme.
- Borrowing is likely to further increase and many are at risk of falling in to debt traps.
- Loans are primarily taken from informal sources who charge high interest rates.
- Labor migration continues to be common but has not changed since IRM-3. There may be increases in migration as families seek to repay loans.
- There have not been significant sales of assets and people are not reducing their food consumption.

Box 6.1: Findings from IRM-1 (June 2015), IRM-2 (February-March 2016) and IRM-3 (September 2016) on economy and livelihoods

Pre-existing conditions of poverty combined with the short-term loss of livelihoods after the earthquake made recovery challenging for many. While the initial impact of the earthquakes on livelihoods was major and widespread, only a limited number of households faced a complete loss of livelihoods and sources of income started to recover within the first few months. However, while families were resilient, even the short-term loss of livelihoods exacerbated pre-existing hardships making recovery extremely challenging for the poor. Furthermore, full recovery has only returned many families to pre-existing conditions of poverty.

Almost all households in the affected districts are involved in agriculture. Though most farmers resumed farming after the emergency phase in late 2015, farmers have struggled in the post-earthquake period and were in need of livelihood support. Most households in affected areas ceased farming in the early weeks after the earthquakes due to fears of aftershocks and landslides and because they were focused on constructing temporary shelters. Some farmers were displaced from their land while others had to use arable land for shelter. Some farmers also lost seeds, livestock and storage facilities. Generally, only displaced households and farmers whose land was damaged or who had lost family members were unable to fully resume farming 18 months on from the earthquakes. However, the subsistence farming that most households practice had faced problems even prior to the earthquake due to the drying of water sources, insufficient irrigation, changing rainfall patterns and a lack of transportation. The earthquakes compounded these problems.

Diversification of livelihoods prior to the earthquake facilitated livelihood recovery, and the demand for labor, particularly in construction, eased losses of income in other sectors. Farming households typically engage in multiple occupations where possible, supplementing their agricultural production with small businesses, wage labor or remittances. Dalits, in particular, even prior to the earthquake, supplemented

their agricultural production with wage labor due to their relatively smaller landholdings. Reconstruction during 2016 led to an increase in opportunities for wage labor work as well as increased wages for laborers.

Businesses in affected districts were greatly impacted in the initial months, exacerbated by the fuel blockade from late 2015 to early 2016, but almost all businesses fully recovered. Tourism in affected districts, almost completely stopped, and required over a year to recover, but had nearly returned to pre-earthquake levels after 18 months.

In the immediate aftermath of the earthquake, tourism-related businesses suffered greatly. In Dolakha, people who had lost their tourism-related jobs expected that it would take 18 months before they would be employed again. During IRM-2 (early 2016), the tourism sector was still struggling. It began to recover by IRM-3 (September 2016) and, by mid-2016, hotel bookings for the upcoming tourist season were reported to be at pre-earthquake levels. Some small business owners were unable to recover due to the lack of compensation for lost stock or damage to their infrastructure or equipment. Traditional handicrafts businesses, already declining before the earthquake, were impacted, especially when workshops and tools were destroyed. For example, blacksmiths, an occupation traditionally associated with Dalits, were struggling to resume their trade after the earthquake in several VDCs. Blacksmiths only recovered when they received additional assistance to rebuild workspaces and buy new tools.

Borrowing was still the most common coping strategy and it increased after the earthquakes, primarily from informal sources such as moneylenders or acquaintances at very high interest rates. Not being able to access formal sources of finance, many turned to moneylenders and friends or relatives who generally charged 24-36 percent interest per annum. Borrowing did not increase in the immediate aftermath of the earthquake and the frequency of borrowing was actually higher in medium and low impact districts, potentially due to the higher influx of relief materials in high impact districts. By

early 2016, however, borrowing had begun to increase, mainly for household expenses and in some cases for housing reconstruction. Delays in provision of the housing reconstruction grant increased borrowing. Rising debt, and the risk of debt traps, was a concern, with families unsure how to repay loans.

Although the initial weeks after the earthquake saw changes to remittances and labor migration, these stabilized to pre-earthquake levels by IRM-2 and have not significantly changed since then. Migration and remittances were common

prior to the earthquake and a major source of income for households in the affected areas. The early weeks after the earthquake saw an increase in remittances, particularly in high impact districts, as well as the return of labor migrants from abroad. By June 2015, however, these numbers had returned to pre-earthquake levels and there were no discernible changes through late 2016. In light of the high expenses associated with house reconstruction, however, this is likely to change. Many households pointed out that they would probably have to send family members abroad for work in order to be able to repay loans.

6.1 Recovery of livelihoods

Farmers

While people returned to farming, subsistence farmers were found to be struggling and in need of support, in the absence of other livelihood options and were generally unable to earn enough to fully recover.¹⁶⁶

Although households practicing agriculture in severely hit districts have returned to farming, this is usually due to a lack of alternatives.¹⁶⁷ Agriculture is a heavily labor-intensive livelihood source, with incomes contingent on predictable weather patterns and unpredictable external factors such as market prices. People's preference is for steady employment in the non-agricultural sector where incomes are regular and in cash. While households continue to farm for subsistence, cash is still required to purchase food and other products and pay for services, such as school fees.

For reconstruction, additional cash will be required but incomes from subsistence farming are inadequate. Mitra Kaji Silwal from Baruwa VDC in Sindhupalchowk noted, "This [season] there will be more farming I guess, because we don't have any options, we have to do it to live." Researchers observed that Chepang households in both wards of Tanglichowk VDC in

Gorkha appeared to be busy in their fields. However, researchers also noted that although agriculture had recovered in the VDC there were also no other livelihood options besides a few wage labor opportunities. The insufficiency of agricultural production was illustrated by respondents in Nele VDC, Solukhumbu, who stated that harvests were only sufficient for three to four months and that the rest of their food had to be purchased using cash income from tourism, remittances or from daily wage labor. In areas where reconstruction is booming, individuals are turning towards associated wage work but no-one has completely abandoned agriculture.

Although the farming sector has almost entirely recovered, geological damages due to the earthquakes, fears of landslides, crop depredation and water shortages continue to impact agriculture.

While agriculture has not been abandoned, people in Sindhupalchowk's Baruwa VDC are only farming one-third to one-half of their fields. The land closest to the village continues to be cultivated while land further away is left barren. Gyan Bahadur Syangbo

¹⁶⁶ For an overview of the evolution of agriculture in Nepal providing the context to farming pre-earthquake, see Samantha Day (2017) *The success of sustainable agriculture depends on finding a balance between the traditional and the industrial.*

The Record, May 29, 2017. <http://www.recordnepal.com/wire/what-happened-to-agriculture-in-nepal/>.

¹⁶⁷ For more details on pre-existing conditions of poverty in the study area, see IRM-2 and IRM-3.

explains: “Only half of the cropping is done – the field has been damaged by the earthquake.¹⁶⁸ I don’t think we can repair the field immediately, because for that we need money and if it gets damaged again we will have loan after loan.” Bhupal Syangbo from the same ward fears landslides as he feels the land has become fragile since the earthquake and is prone to instability after heavy rains. Furthermore, Sarita Tamang explains that when land further away is left barren then neighboring plots are also left barren, which risks crop depredation by monkeys and other animals. Crop depredation continues to be an issue in all three VDCs in Sindhupalchowk.¹⁶⁹

Irrigation was cited as a need in all nine VDCs in three districts with Solukhumbu being the exception. The lack of adequate water supply for agriculture is an issue that pre-dates the earthquakes but it has been exacerbated by damage to infrastructure during the earthquakes and the poor monsoon rainfall in 2015. Irrigation canals were damaged during the earthquakes in Sindhupalchowk and Okhaldhunga. Around 50 to 60 households in Syaule VDC, Sindhupalchowk, have been impacted by the destruction of the canal where rice had been grown. One respondent claimed that 3,600 kilograms of rice used to be harvested from that land, which was left fallow due to the shortage of water. In Baruneswor VDC in Okhaldhunga, locals had attempted to repair the irrigation canal using plastic pipes. However, the repairs would not be finished for a few more months and farming could not fully resume until then. Fortunately, the 2016 rainfall was plentiful and the land that was cultivated flourished in IRM-4 (early 2017) especially in Dhuwakot VDC in Gorkha, where many cash crops are grown.

A lack of manpower, particularly with the temporary shift of agricultural labor to reconstruction work, is also affecting agriculture.

Increased opportunities in reconstruction, with a relative rise in daily wages, have reduced interest in farming. Individuals are temporarily shifting to working as daily wage laborers, particularly in Barpak VDC in Gorkha and in all three VDCs in Okhaldhunga (Prapcha, Katunje and Baruneswor). In Barpak, this means that land further away has been temporarily abandoned. Ishwari Phuyal from Prapcha VDC noted that wages for daily labor had doubled from NPR 500 to NPR 1,000. Farmers, in contrast, could not afford to pay even NPR 500 to agricultural workers. However,

respondents from Katunje VDC and Baruneswor VDC speculated that this shift was temporary and that once the pace of reconstruction slowed down, there would be an increase in the available labor for agriculture.

The multiple occupations previously practiced by families reduced the manpower available for agriculture following earthquake fatalities.¹⁷⁰ Baruwa VDC in Sindhupalchowk had a high number of fatalities. Respondents there have prioritized using their scarce labor on carpet weaving rather than agriculture. A respondent in Sindhupalchowk’s Syaule VDC explained, “We only did a third of the farming this time, my elder son’s family migrated to Kathmandu after the earthquake and others are abroad. We are an old couple and couldn’t do it all.”

The temporary shift of agricultural labor to reconstruction work is potentially increasing sharecropping opportunities in Okhaldhunga, particularly for Dalits.

This has been exacerbated in Okhaldhunga and Barpak VDC (Gorkha) by the gradual shift away from agriculture to labor migration, even before the earthquake. Farming has been in decline, particularly in these areas, due to the challenges of agriculture (such as the lack of irrigation), foreign employment and the temporary shift towards construction labor. The complex geography and low productivity in Barpak VDC resulted in a lack of food sufficiency for the whole year even prior to the earthquake. As a result, households were already relying on other livelihood options, such as labor migration. This has potentially opened up sharecropping opportunities, particularly for lower caste and poorer households in Okhaldhunga. Upper caste landowners in Prapcha VDC told researchers that they had difficulties finding sharecroppers or agricultural laborers. Dalit male respondents acknowledged that they have received more requests from upper caste landowners for sharecropping in addition to agricultural inputs. Similarly in Baruneswor VDC, Dalit women also mentioned the increase in sharecropping opportunities. One respondent, Jogmaya BK, said that previously when they would ask landowners for irrigable land in the lower plains, landowners would not allow them to cultivate it. She added, “Now they invite us and also promise that they will provide resources for cultivation such as seeds and fertilizers. This was not the case before.” The increased opportunities for Dalits may reduce in the future when non-Dalit labor returns from reconstruction work to agriculture.

¹⁶⁸ Damage here refers to the collapse of retaining walls on the terraced slopes after the earthquake.

¹⁶⁹ For more details on crop depredation see the IRM-3 qualitative report.

¹⁷⁰ *Ibid.*

Case Study 6.1: Dalit sharecroppers benefitting from the decline of agriculture in Okhaldhunga

Many respondents in Okhaldhunga's Prapcha VDC observed that agriculture was declining. Even before the earthquakes, an increasing number of people were withdrawing from agriculture if they found opportunities in the non-farm sector within or outside the village. However, the earthquake sped this, with some casual laborers who previously worked as daily agricultural wage laborers now engaged in reconstruction as it pays higher wages.

"Nowadays, people are getting daily wage labor in construction activities easily, so more people are attracted to it as the rates are higher. This has resulted in fewer people available for agriculture," said Ishwari Phuyal, VDC level leader of the Communist Party of Nepal (UML) in Prapcha. He added, "Farming was gradually declining [before the earthquake], but after the earthquake it declined further, much land is left barren without the required manpower." He reflected that this was probably also a result of the fact that previously rice had to be transported from Katari, but it is now brought to the VDC center. With the wages people earn, they can easily purchase that rice, so why would they farm?

According to traditional upper caste landowners, until some years ago they could easily find agricultural laborers to cultivate their land. They did not want to give their land on a sharecropping basis when agricultural laborers were easily available on daily wages. For sharecropping, too, the cultivator had to give two-thirds of the harvest keeping only one-third. However, this has changed as it is now harder to find daily wage agricultural workers.

Displaced Dalits said that opportunities for sharecropping were hard to come by, and that they would usually have to go and knock on the doors of landowning Bahun-Chhetri (higher caste) families. But the situation has changed. The Bahun-Chhetri families now come to ask them if they could sharecrop their land and are ready to provide seeds and fertilizer. Yet, Govinda Mungrati, a Dalit respondent added, "We don't have time now to work in the field. At present it is more profitable to work as a daily wage laborer than in sharecropping."

Labor

As reconstruction progresses, the demand for labor—both trained masons and unskilled laborers—has dramatically increased with shortfalls in many areas.

The demand for labor began to increase by early 2016 (IRM-2), as labor was required to build semi-permanent and permanent structures. This trend continued in IRM-3 (September 2016) and demand has continued to rise with reconstruction fully underway. Chewang Lama from Baruwa VDC in Sindhupalchowk is a mason, and was so busy rebuilding other people's houses that he did not have time to rebuild his own. The heightened demand for labor has led to labor shortages. For example, the NRA district representative in Okhaldhunga pointed out that there were only around 700-800 skilled masons in the entire district. This was despite the masonry trainings that had been provided in attempt to increase these numbers. The representative said that at least 2,000 skilled masons would be needed to build homes for the 20,000 beneficiaries of the reconstruction cash

grant in the district.¹⁷¹ In Gorkha, this shortfall appears to have been filled by labor from the Terai and India. Researchers observed that in Dhuwakot VDC, where there was no masonry training, there were at least four groups of masons from the Terai and India in a single ward.

There have been further increases in wages.

Unfortunately for those seeking to rebuild, wages have increased since the earthquake and have further increased since IRM-3 (September 2016). In Nele VDC, Solukhumbu, a skilled mason now earns NPR 1,500 per day, while a semi-skilled mason earns about NPR 1,200 per day and unskilled laborers earn NPR 800-1,000 per day. This is an increase of 100 percent

¹⁷¹ The Chief District Officer for Okhaldhunga claimed that there were 300 skilled masons while 1,000 were needed. Both estimates highlight the disparity in the need for masons compared to the availability.



Photo: Chiran Manandhar

since the earthquake, and about 40 percent since late 2016. Respondents in Nele estimated that a group of four masons and laborers would take 50-60 days to build a house, which would result in a total labor cost of about NPR 250,000. The drastic increase in wages has caused difficulties for the Nepal Red Cross Society (NRCS) as it follows government regulations, which prescribe NPR 500 per day as wages. It is difficult to meet the wage expectations of laborers. The masonry trainings have had the unintended impact of raising reconstruction costs, as masons in Gorkha and Sindhupalchowk are now asking for NPR 1,500 per day, claiming they deserve this after having being trained.

Higher wages are of course beneficial to those who can work as laborers. A trained mason in Barpak VDC, Gorkha, stated that he could save around NPR 18,000 to 25,000 per month working as a mason. Wages are high enough that some individuals who had previously migrated to the Gulf for work have remained at home to work as masons in Barpak. Between 10 and 15 people in Ward 2 in Barpak have returned home from abroad and are now working as masons. Purna Bahadur Gurung is one of them. Purna used to earn NPR 30,000-40,000 abroad and earns almost the same working as a mason. He revealed, “It is far better to work here than abroad because here we are reconstructing damaged houses and helping the entire community to stand against the impacts of the earthquake.”

¹⁷² As of August 2017 the Tatopani border was still closed.

¹⁷³ Quoted in Shristi Kafle (2016) *Tatopani border point resumes operation one year after quake, bringing new hopes for*

Businesses

Markets have fully recovered across all four districts and businesses related to construction are prospering. The only significant market still affected in the research areas is cross-border trade at Tatopani in Sindhupalchowk due to the closure of the border with China.

All markets were fully functional by early 2016 after the blockade ended. With the boom in reconstruction, businesses related to construction are increasing across the study area. However, the border with China in Sindhupalchowk has remained closed since the earthquake. The border was closed after infrastructure on both sides of the Tatopani border in Sindhupalchowk was damaged during the earthquake. The border handled Nepal’s largest volume of inland trade with China. Although it reopened briefly in 2016, it remained closed at the time of the research in April 2017.¹⁷² The Nepali Customs Chief at Tatopani claimed that this “border point is a lifeline for thousands of traders and locals of Sindhupalchowk district, who are solely dependent upon cross-border trading and tourism.”¹⁷³ A political activist from Barabise, Sindhupalchowk, reaffirmed this, telling researchers that small businessmen were in trouble after the border closure with multiplier effects on hotels, truck owners, porters and shopkeepers.

Nepalese business community. April 24, 2016. http://news.xinhuanet.com/english/2016-04/24/c_135307116.htm

Case Study 6.2: Local businesses in Barpak VDC, Gorkha, benefitting from new visitors

A hotel owner, Bal Shumser Gurung, is a resident of Barpak VDC. He used to work in India in hotels and restaurants before deciding to return to Barpak before the earthquake to start his own hotel business. He started selling snacks in Barpak after he returned from India. In order to start his business, he took NPR 2.4 million as a loan from a local cooperative and from friends and family members of which he has already repaid NPR 1.6 million. He initially rented a place to sell food items and later he decided to lease land, construct a hotel and run a hotel with eight rooms. His business is doing quite well and he is able to save NPR 30,000-60,000 every month. When he was asked about the impact of the earthquake on his business, he replied, “After the earthquake, many NGO/INGO people have been visiting and staying in Barpak. Similarly,

tourists who plan to go for Manaslu trekking are now visiting Barpak since it’s the epicenter of the earthquake. And most of these people either stay in my hotel or they eat here and this is helping my business a lot. Local bus and truck drivers and their assistants eat and drink here.” Researchers observed three groups of tourists staying at his hotel during their visit. Since the pace of construction is quicker in Barpak, truck drivers bringing construction materials frequently stay in his hotel. Researchers also met with a team of 65 students eating in his hotel who had come for an educational visit to see post-earthquake Barpak. He added, “With the income that I have been able to save from this hotel, I have been able to admit my son in a local boarding school.”

Enterprising businessmen are taking advantage of the arrival of organizations and visitors since the earthquake.

In the initial aftermath of the earthquake, entrepreneurs in high impact districts received incomes by catering to relief workers, but as the relief phase ended these incomes subsided as well. However, by IRM-4 (April 2017), some tourists started visiting the Tsum Valley in Gorkha through Barpak VDC, due to the vicinity of the trekking route and because it was the epicenter of the April 2015 earthquake. Various organizations entered Barpak for reconstruction. To target the increased numbers of guests (both tourists and aid organizations) more hotels have opened, especially since late 2016. Similarly in Sindhupalchowk, another heavily impacted district, various organizations have entered Baruwā VDC for recovery work. Organizations hold meetings and programs, ordering meals from Himal Gurung who runs a small hotel business. Recently, he has built an additional cottage to rent rooms for guests who visit the VDC.

As reconstruction progresses, businesses are catering to the influx of wage laborers and masons, with restaurants and food businesses thriving.

The many wage laborers, both local and from the Terai and India, have to be fed. As a result, restaurants and

food shops are doing well, particularly in Sindhupalchowk. The police banned alcohol in Lisankhu VDC in Sindhupalchowk, reducing the alcohol business there. However, businesses selling alcohol are making profits in both Syaule and Baruwā VDCs in Sindhupalchowk. In fact, Chhewang Lochan from Baruwā, who opened a new shop six months ago, claimed that he takes in at least NPR 2,000 daily, and NPR 8,000 per day on average, with most of his profits coming from the alcohol business.

As predicted in IRM-3 (September 2016), the tourism business in Solukhumbu has now fully recovered.

In IRM-3, while tourism had been recovering, it had not reached pre-earthquake levels, but was expected to do so in the upcoming season. This turned out to be the case. In Phaplu, the tourist hub in Solukhumbu’s district headquarters, the flow of tourists and hotel bookings were reported to be as high as the best years before the earthquake. Similarly, a respondent from Kerung VDC said, “I have been involved in trekking for 30 years. Due to the impact of the earthquake on trekking, I had to stay jobless for a long time after the earthquake and faced financial difficulties. Many people from this ward are involved in trekking and all of them faced the same difficulties for the past two tourist seasons. But now tourism has fully recovered and my job has come back to the pre-earthquake situation now.”

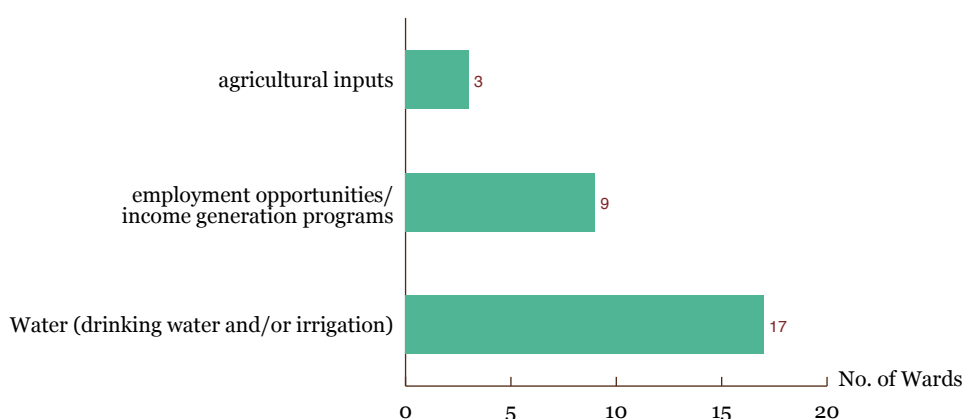
6.2 Livelihood needs

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

Support for farmers is still deemed most important with 17 of 24 wards listing water as a need (Figure 6.1). Solukhumbu was the exception, with people there not citing water as a need. However, in 17 out of 18 wards in the three other districts (Gorkha, Olkhaldhunga and Sindhupalchowk) water was identified as a need. Agricultural inputs were cited in only three wards,

fewer than in IRM-3 when agricultural inputs and employment opportunities were equally frequently given as needs. This is in line with the findings regarding people's disillusionment with agriculture. Related to this, non-farm opportunities through income generation programs and employment opportunities were mentioned as a need in nine wards, more than in IRM-3. Tourism-related support was also requested by respondents in Ward 5 of Barpak VDC, Gorkha. While there is much need for livelihoods support, such assistance has remained sporadic and that provided often did not appear to address the most urgent livelihoods needs.¹⁷⁴

Figure 6.1: Livelihood needs in the study areas



6.3 Coping strategies

Borrowing and debt

The housing reconstruction grant is insufficient for house building, and the government's loan scheme intended to complement it has not been accessed. As reconstruction increases, borrowing continues to increase, along with the risk of debt traps.

Every single respondent in all the IRMs has stated that the housing cash grant, whether NPR 200,000 or NPR 300,000, is insufficient for constructing an earthquake-resistant home, particularly for the designs recommended by the Department of Urban Development and Building Construction (DUDBC). Additional cash assistance was cited as the biggest

need in all research area. Government officials and partner organizations in the Rural Housing Reconstruction Program planned the housing cash grant as a subsidy, complemented by technical assistance and the housing loan scheme.¹⁷⁵ There is a subsidized

¹⁷⁴ See Chapters 4.1 and 4.2.

¹⁷⁵ The grant from the Rural Housing Reconstruction Program was not intended to cover the whole cost of rebuilding but was, instead, designed to incentivize safer 'owner-driven' reconstruction in combination with technical assistance. The housing designs produced in the two volume design catalogue by the DUDBC are not compulsory. Households do not have to rebuild using

Case Study 6.3: Taking loans to rebuild houses

Across districts, many earthquake-affected households were relying on loans and sending members to work abroad in order to finance the construction of their houses as the housing reconstruction cash grant did not cover the whole costs of rebuilding. With many potentially ineligible for the second and third installments of the housing grant, this leaves many uncertain about how to repay their loans.

Man Bahadur Tamang from Katunje VDC in Okhaldhunga who rebuilt fast without waiting for the housing grant (see Case Study 3.2) said, “I ran into debt to make this house. I had to spend almost NPR 500,000 for this two room house and I have only received NPR 50,000 from the government so I had to borrow money to manage expenses to build this house.” Below are the details of the money he used to finance the house:

- NPR 100,000 borrowed from daughter
- NPR 45,000 borrowed from friend
- NPR 100,000 borrowed from friend
- NPR 100,000 remittances from elder son who was working in India

- NPR 100,000 remittances from younger son who was working in India

Total expenses: NPR 445,000

Lalkaji Tamang from Syaule VDC in Sindhupalchowk also had to take loans to rebuild; he borrowed NPR 650,000 from relatives to build his new house. He started building before the grant was distributed by the government and before technical assistance was provided. He had to pay 3 percent interest to his relatives. When he saw no way to pay back his loan when he was declared ineligible for further installments of the housing grant, his 24-years-old son and his daughter-in-law went abroad to Malaysia and Saudi Arabia to earn money. However, to send them aboard Lalkaji had to take additional loans of NPR 400,000. The money sent by his son and daughter-in-law is only sufficient to pay interests.

According to the CDO’s office in Sindhupalchowk, the number of people going abroad increased after earthquakes primarily to earn money to pay back their loans.

loan available to earthquake victims with a 2 percent interest rate available for up to NPR 1,500,000 outside the Kathmandu Valley and up to NPR 2,500,000 inside the Valley with collateral.¹⁷⁶ There is another loan available for NPR 300,000, with an interest rate of 2 percent, that is intended as top-up support for the most vulnerable households (see Chapter 2).¹⁷⁷ Yet, and as stated in IRM-3, banks have been reluctant to provide these soft loans. By July 2017, only 382 earthquake victims had received these special loans from banks and financial institutions.¹⁷⁸ None of the

respondents in this study had accessed these loans, and only a small number had heard of them.

In every single VDC, borrowing has reportedly increased since the earthquake. Borrowing has also increased since IRM-3 (September 2016) in seven VDCs across the four districts, and in every case it was related to house reconstruction. Borrowing had increased since IRM-3 in all of the VDCs in Okhaldhunga; Dudhkunda and Nele in Solukhumbu; and Dhuwakot in Gorkha and Syaule in Sindhupalchowk. Across the entire study

these designs, and are free to develop their own house design following the principles of the National Building Code. Problems in communicating this information have led to widespread confusion and misunderstanding. See Chapters 2, 3 and 4 for more. DUDBC design catalogue volume 1: http://www.hrrpnepal.org/upload/resources/okWiRX4ndUZMPg9T75LA_2017_02_23.pdf, DUDBC design catalogue volume 2: http://www.hrrpnepal.org/upload/resources/dwgUb4D9Nvf7xPkY8sej_2017_04_15.pdf National Building Code: <http://dudbc.gov.np/buildingcode>.

¹⁷⁶ *Refinancing Procedures for the Reconstruction of Private Houses destroyed by the earthquakes, 2072*. Unofficial English

translation: http://www.hrrpnepal.org/upload/resources/BUEiMyW17PXXwrJbf53H_2017_02_22.pdf.

¹⁷⁷ *Procedures for providing interest-free loans in collective collateral for the construction of houses of the earthquake victims, 2074* (2017). Unofficial English translation: <https://drive.google.com/file/d/oBzAjdJstFmOdczhlSXBndTAyS2c/view>.

¹⁷⁸ ‘Two years on, only 382 earthquake victims receive concessional loans’, July 21, 2017, <http://www.myrepublica.com/news/24199/> It is unclear how many of these loans are to vulnerable groups based on community collateral.

region, it was common for respondents to state, “almost everyone who has rebuilt has taken loans.”

The following three cases are examples of borrowing for house reconstruction. In Ward 3 of Baruwa VDC, Sindhupalchowk, only one home had been built. Damai Syangbo had spent NPR 1 million, borrowing NPR 150,000 from relatives for construction. Ram Kaji Tamang from Syaule VDC, Sindhupalchowk, spent NPR 450,000 rebuilding his home, for which he borrowed NPR 200,000 from a friend. In Barpak VDC, Gorkha, the local cooperative’s loan ceiling used to be NPR 1 million, which they have now reduced to NPR 300,000 due to the high demand for loans for reconstruction. In Okhaldhunga’s Baruneswor VDC, one in every two women had reported borrowing money from various sources and that this had increased in the last six months. The trend of borrowing has also remained the same since IRM-3 in Kerung VDC, Solukhumbu.

Households displaced as a result of the earthquake in Prapcha VDC, Okhaldhunga, were forced to take loans to buy land. A majority of the displaced households in Ward 8, Prapcha VDC, were Dalits who were displaced to a settlement dominated by upper caste households. About 15 to 18 of these Dalit households had initially rented land belonging to the upper caste neighbors. While they had received the first installment of the cash grant, government authorities had recommended not rebuilding in their original location, which was identified as unsafe. As a result, without any assistance from government resettlement programs (see Chapter 2), nine of these households had purchased land that they were renting by taking loans. Three of these households have not been able to purchase land and are still paying rent while five households have returned to their original unsafe location, having lacked alternatives. Most of those who had purchased land had spent NPR 200,000 to NPR 300,000 and one family had even spent NPR 1.5 million to buy the land, of which they had borrowed about half of this amount.

Almost everyone who has rebuilt has borrowed. Households yet to construct their homes are also planning to borrow across research areas.

One ward respondent in Tanglichowk VDC, Gorkha, captured this sentiment expressing, “I will rebuild my house after the monsoon, probably after Dashain, and I will take a loan from my relative because with just the reconstruction cash grant I will not be able to complete rebuilding.” In every single case across the study area, future borrowing was associated

with house reconstruction – those who have not yet rebuilt were all expected to borrow. Only in Nele VDC, Solukhumbu, where most houses have been rebuilt or repaired, was borrowing not expected to increase.

While loans were taken in the past for household expenses, the sums required for reconstruction are much larger and increase the risk of debt traps across the study area.

For example, Sunita Shrestha, President of the King Village Saving Cooperative in Syaule VDC, Sindhupalchowk said, “We have a savings and credit group formed by 20 women, of which 17 have taken a loan from the group. Most of them are for house reconstruction. Before the earthquake, people would borrow a small amount for household purposes, but now it is much more larger.” If households are borrowing because they cannot afford to rebuild with their incomes, it is unlikely that they will have the funds to repay loans which leads to a high risk of debt traps, an issue particularly for marginalized Dalits who often have little or no valued assets. For example, in Nele VDC, Solukhumbu, Dalit families reported that they borrowed anywhere from NPR 300,000 to NPR 500,000. Many families fear a long and vicious cycle of debt burden.

In Baruneswor VDC, Okhaldhunga, Dalit women claimed that their loans had increased in the last six months. While in September 2016 their debt was NPR 100,000 to NPR 150,000, this had increased to NPR 400,000 to NPR 500,000. Even households with employed members were forced to borrow money, such as Mitra Lal Dahal, a teacher in Baruneswor VDC, who had to borrow NPR 750,000 to rebuild. Researchers observed that the main livelihood options in Prapcha VDC, Okhaldhunga, were farming of the limited land available, casual daily wage labor and foreign employment. In all cases, it would be difficult to generate the surplus amounts required to repay loans.

As in IRM-3, loans are primarily taken from informal sources such as moneylenders or family and acquaintances due to the lack of formal sources. Members of cooperatives borrow from cooperatives where possible.

The reasons for borrowing from informal sources did not change from IRM-3; they included accessibility, convenience and repayment considerations.¹⁷⁹ There is a lack of accessible finance institutions in most earthquake-affected areas, including in Gorkha, Okhaldhunga and Sindhupalchowk.¹⁸⁰ It is not surprising that

¹⁷⁹ IRM-3 qualitative report.

¹⁸⁰ As shown in HRRP’s mapping of financial institutions by district, available here <http://www.hrrpnepal.org/maps-infographics/maps/financial-institutions/o>.

Case Study 6.4: House reconstruction through labor migration in Baruwa VDC, Sindhupalchowk

Sanumaya Tamang was 15 when the earthquake struck, and she was studying in the sixth grade at school. Fears of tremors after the earthquake led her to leave school and Baruwa. She lived in Kathmandu for a year, learning carpet weaving. She returned to the village after a year but did not go back to school as it had already been over a year. Instead she started weaving carpets, earning NPR 12,000 per pair. Sanumaya plans to go abroad to work. Her elder sister was in Dubai before, returning recently. Now, Sanumaya desperately wants to go abroad to earn money to support her family. Her house has not yet been rebuilt and her family is not on the beneficiary list. Sanumaya said, “If we will not get money from the government then I will go abroad and send money to rebuild the house.”

Shukman Syangbo Tamang adds, “I could not rebuild my house staying in Nepal so I am planning to go abroad. I was in Malaysia, but I came back after 11 months because I lost my mother and other relatives in the earthquake. I still have to repay NPR 100,000 borrowed to migrate then”.

Seasonal migration to Ladakh in India is a common phenomenon, with many locals from Baruwa working there for six months a year. Ram Bahadur Lopchan said, “I took a loan from relatives to rebuild the house. I do not like to take a loan from the bank. If I cannot repay the loan from the bank, I will lose my house again. So, I’m planning to go to Ladakh to repay the loan I’ve taken.”

most borrowing occurs from informal sources. In six wards, most borrowing took place from moneylenders or acquaintances, while many households in 13 other wards borrowed from these sources. Borrowers from informal sources have to pay interest rates commonly of 24-36 percent per year. The few households who do have access to banks include some households in Dudhkunda VDC in Solukhumbu and a few households in Prapcha VDC in Okhaldhunga. These households are usually able to pay less than 18 percent interest on their loans. Cooperatives lend at rates usually between 12 to 18 percent. However, as they are membership-based, only those who are members have access to these funds. Many households in Nele VDC in Solukhumbu and Katunje VDC in Okhaldhunga were able to access lending from cooperatives.¹⁸¹

While Dalits in Solukhumbu appeared to borrow larger amounts to complete house reconstruction, Dalits in other districts borrowed less due to the lack of repayment options. There were isolated cases of loans being denied.

Dalit respondents in Dudhkunda VDC, Solukhumbu, stated that they had to increase borrowing significantly to rebuild and without adequate assistance would fall into a severe debt trap. This was already the condition

of Gujjaman BK in Dudhkunda VDC who had borrowed NPR 300,000 to rebuild, but was not listed in the beneficiary list and had no idea how to repay his debt. These households tended to have small landholdings or meager sources of income. This was mirrored in Nele VDC in Solukhumbu as well. However, in Barpak in Gorkha and Prapcha in Okhaldhunga, the lack of assets meant that Dalit households took fewer loans or smaller amounts than other groups. Dalits in Prapcha were noted to be doubly disadvantaged – their land was landslide prone, low-valued as collateral and hence banks were less likely to provide finance. Mitra Pokharel, Prapcha VDC’s Technical Assistant, informed researchers that the irrigated fertile land of the lowlands was valued at NPR 28,000 per unit, slightly lower quality land at NPR 25,000 and unirrigated land at NPR 11,000. Dalits owned land of the lowest value.

In Sindhupalchowk, there were isolated cases of loans being denied to individuals – one for being a farmer and another for being “aged”. Hela Tamang attempted to borrow from a cooperative he was a member of in Syaule VDC, but the cooperative refused to lend him money as he was an “aged” man. Narayan Silwal in Baruwa wanted to rebuild and, unable to borrow a loan locally, he went to Nepal Bank’s Melamchi Branch. Staff at the bank asked him, “do you have a job or a shop?” When he responded that he was a farmer, he was told that loans were not given to farmers. He attempted to put his land in Baruwa as collateral, but was told that it was too far, and that the Bank staff “did not have time to go there.”

¹⁸¹ Researchers categorized borrowing in each ward on the basis of ‘most’, ‘many’, ‘some’ and ‘few’ from the various sources.

Migration and remittances

As in previous IRMs, labor migration continues to be common. Although there were no large changes to migration levels in 10 of the 12 VDCs, there are some indications that it is increasing, particularly to repay loans borrowed for house reconstruction.

The rates of migration have stabilized to pre-earthquake levels and migration common across the study region. Only in one ward of Tanglichowk VDC in Gorkha did locals say labor migration was not a common phenomenon and, even there, a few individuals had migrated. One respondent in Dhuwakot VDC in Gorkha said, “Labor migration is common in this ward, youths are especially likely to migrate for better opportunities in the Gulf countries as they see no opportunity here.” In Solukhumbu, people estimated that at least one person in every two households was working abroad. Remittances also appear to have remained constant since IRM-3 in Solukhumbu, with families receiving NPR 100,000 to NPR 150,000 annually.

Labor migration appears to have increased in Katunje VDC, Okhaldhunga, and decreased in Barpak VDC, Gorkha, both related to house reconstruction. There were no discernible changes in the remaining VDCs. Respondents reported that 10 to 12 youths have gone to Malaysia and the Gulf countries since Dasain (October 2016), an increase since IRM-3 in Katunje VDC. It was speculated that this was due to the need to repay loans for house reconstruction. In contrast, the incidence of labor migration in Barpak VDC has slightly decreased as locals are working for wage labor and earning well. Around 10 to 15 people had returned to Barpak after the earthquake and were working in house reconstruction. Some who had planned to go abroad have postponed their plans due to the labor opportunities. However, it is likely that labor migration will increase in Barpak once reconstruction work opportunities decrease. In fact, some respondents stated that they will need to work abroad in order to repay their loans.

In Sindhupalchowk, according to a local NGO, 70 percent of people who were migrating explained that their motive in going abroad was to earn money to rebuild their homes and pay off loans. Labor migrants explained that it was impossible to rebuild without extra earnings with agricultural production merely sufficient for six months. Rupa Syangbo’s family in

Baruwa VDC in Sindhupalchowk was planning to rebuild with her savings from working in Dubai, while Dawa Syangbo from the same VDC was considering rebuilding next year with a loan or, if the loan was denied, sending his daughter abroad. Kumari, a Dalit woman from Baruneswor VDC, Okhaldhunga, told researchers her husband had migrated a few months back due to the debt caused by the earthquake.

Other coping strategies

Aside from a few isolated cases of assets such as gold or land sold for house reconstruction, the sale of assets is not common. No-one is adjusting their food consumption, as in previous IRMs.

There has been no overall change in the incidence of the sale of assets. One respondent in Baruneswor VDC, Okhaldhunga, had sold a plot of land and borrowed NPR 750,000 to rebuild his home. If he is unable to repay the loan, he stated that he would be forced to sell some more land. Other respondents in Katunje VDC, Okhaldhunga, reported that selling land would be their last resort to earn money. In Baruwa VDC, Sindhupalchowk, even if households do want to sell their land, there are no buyers. Kami Tamang of Syaule VDC, Sindhupalchowk, sold some gold to build his house, but this appears to be an isolated case.

In three VDCs in the research area, labor sharing is being practiced for house reconstruction, and households in Sindhupalchowk have been collecting funds to repair roads or other infrastructure on their own. However, earthquake victims cannot rely on labor sharing in all locations.

Labor sharing continues to be practiced in Syaule VDC and Baruwa VDC in Sindhupalchowk and Baruneswor VDC in Okhaldhunga, particularly among the Tamang community. This does not seem to be practiced across the remaining areas visited and, even within the areas where it is practiced, it is limited to certain communities. It is therefore not a strategy most earthquake victims can rely on. Households in one ward in Baruwa VDC donated NPR 15,000 to clear the school land for reconstruction. NPR 5,000 was collected by households in Syaule VDC in order to construct a road that was critical to transporting construction materials.

Chapter 7

Conclusions and Recommendations



Photo: Nayan Pokharel

7.1 Summary of main findings

Between the third and fourth rounds of field research, reconstruction continued across the 31 earthquake-affected districts. While the reconstruction of private houses started to progress noticeably in late 2016, it had slowed down again by early 2017 due to labor shortages, high prices for construction labor and materials and delays in the inspection process and the disbursement of the second installment of the housing reconstruction grant. Adding to delays was the focus of local government on the local elections in May and June 2017, which also reduced the amount of aid that households received from I/NGOs. Rebuilding was also slowed by the lack of access most people had to affordable loans. Those who did borrow tended to take loans from informal sources with high interest rates.

Delays and insufficient financial resources have impacted on the ability of households to build back safer houses. Despite receiving the first installment of the housing grant, many households had not started rebuilding. Those households who had started often lacked adequate technical assistance to help them build back safer and to become compliant for the second and third installments of the housing grant. A water shortage and difficulties in transporting construction materials also hampered reconstruction efforts.

Information-sharing and coordination challenges have also impacted on reconstruction. Households are confused about timelines and the requirements needed

to receive the second installment of the housing grant. Many people who lodged complaints are also confused about the grievance management process. Households that were displaced or need to be resettled to safer areas lack information and support. Coordination challenges revolve around the lack of clarity on the roles and responsibilities of local government bodies and the NRA and between the different government line ministries involved in reconstruction.

There is an increasingly large gap between households who are able to rebuild now or later and those who cannot rebuild or who are getting into high levels of indebtedness whilst rebuilding. The latter typically includes vulnerable groups such as the poor, households in remote areas, Dalits, single women, elderly and other historically marginalized groups. For these groups, many of whom are exposed to structural and social discrimination, the existing housing grant is not sufficient for rebuilding and they have so far been unable to access soft loans. While the housing grant is helpful, it is not enough to overcome these problems.

Despite these challenges there were also positive observations. The overall progress in terms of homes and infrastructure was seen to be better than in previous rounds. Some locations were doing better in terms of rebuilding because of strong financial networks and community support as well as appropriate technical assistance through the housing reconstruction

program. Livelihoods had generally resumed and some laborers and businesses benefitted from increased opportunities and higher wages.

7.2 Focus areas and recommendations

Review of the information collected in the field has led the authors to the following recommendations for the Government of Nepal and aid providers. These recommendations are those of the authors alone, not the donors to IRM.

Reconstruction cash grants and household reconstruction

After IRM-3 (September 2016), the reconstruction of private houses progressed faster than previously due to the distribution of the first tranche of the housing reconstruction grant and suitable weather conditions. However, by IRM-4 (April 2017), reconstruction had slowed down again. As in previous reports the main challenges of the reconstruction cash grant scheme was observed to be a lack of clear information on timelines, procedures, requirements, and technical standards. The various steps in the housing grant process are difficult and confusing to navigate for many households.

The most common source of frustration among housing grant beneficiaries, and one of the main reasons for the slow pace of reconstruction in April 2017, was the perceived delay in the distribution of the second installment of the cash grant. Delays in the disbursement of subsequent tranches of the housing reconstruction grant, and uncertainty over procedures and future steps of the housing grant program, affected whether people had started or were continuing to rebuild. Many affected households said they halted the construction of their houses as they were waiting for the second installment. Doubts about whether and when beneficiaries would receive the second installment were widespread, especially in Sindhupalchowk and Gorkha.

In the absence of communication about the second installment, some households continued rebuilding without waiting to receive the second installment, often by taking large informal loans at high interest rates. The NRA deadline for earthquake victims to receive all grants for the reconstruction of private homes within the fiscal year 2017/18 (which ends in mid-July 2018) now risks encouraging rushed reconstruction that does not meet building standards or to encourage households not to build back safer.

A major reason why affected households could not continue to rebuild and were increasingly frustrated was the relative lack of technical assistance and financial resources. Those households that received technical assistance when rebuilding primarily received masonry training, which was of limited use by itself. Prices for construction materials as well as transportation were high and continuing to rise. Other reasons for the lack of rebuilding were shortages of laborers and trained masons, water shortages as well as transportation difficulties in remote areas.

Recommendation 1: Communication about timelines, procedures, requirements, and technical standards is vital to help households make informed choices during the rebuilding process. Information on when and how to become eligible for the second and third installments of the reconstruction cash grants needs to be communicated widely to earthquake-affected households, local government offices and civil society.

Recommendation 2: A range of technical assistance support that goes beyond masonry training needs to be provided to households to help them build back safer and become compliant with the second and third installments.

Recommendation 3: Consider steps to further subsidize common construction materials and labor, especially for vulnerable and remote households. Measures to reduce the transportation costs of common construction materials should also be explored.

Recommendation 4: The deadline for completing all household reconstruction by mid-2018 has the potential to create additional confusion and also impact building back better negatively. Develop and communicate flexible plans for households who may miss the deadline.

Recommendation 5: Find ways to continue reconstruction activities during the application of the Election Code of Conduct

period in upcoming provincial and national elections planned for November and December 2017.

Access to cash and credit

Cash was cited as the greatest need by citizens interviewed. With reconstruction having begun in earnest, more households were borrowing larger sums to cover rising construction costs, and borrowing for livelihoods support also remained high. Borrowing from informal lenders has largely financed the rebuilding that has taken place, but typically at very high interest rates, and households said such borrowing will also finance future construction. The housing reconstruction grant was insufficient to pay for rebuilding and households lacked awareness of and access to government soft loans schemes. There is some evidence that migration for work has also increased in order to pay back loans. Those who cannot afford to rebuild in the absence of additional material or financial assistance are falling behind in their recovery and are vulnerable to severe poverty, debt traps and exploitation.

Recommendation 6: Ensure better awareness of and access to the two government low interest loan schemes for earthquake victims.

Needs beyond reconstruction

Reconstruction of houses and cash assistance were again cited as the primary needs by earthquake-affected households. Households were generally dissatisfied with the government over delays in reconstruction and a lack of information. In contrast, households were generally satisfied with I/NGO aid provision, including livelihood support and, when it took place, technical assistance. This contrasts with strong dissatisfaction with I/NGO aid provision in previous rounds. Overall, the focus of assistance remains on housing reconstruction and cash grants. Limited attention has been paid to other needs, as reported in previous rounds of the IRM. This has limited progress on a wide range of issues critical to recovery beyond rebuilding. People mentioned the need for improved roads (to support rebuilding), repairs to damaged water infrastructure, and improvements to the health sector. While many markets had recovered and increased wages for reconstruction labor had helped many, farmers were still in need of livelihood support. There was a labor shortage in the agricultural sector, partly due to the higher wages in reconstruction work. Additionally, geological damage due to the earthquakes, fears of landslides, crop depredation and water shortages continue to impact the farming sector.

Recommendation 7: Continue to increase livelihoods support rather than focusing assistance solely on housing grants. Support for poor and struggling farmers is particularly necessary in the form of farm inputs, training, and improving irrigation facilities.

Recommendation 8: Increase attention on the reconstruction of physical infrastructure including damaged water sources, government offices, schools and health posts.

Resettlement

While a new geological survey had taken place in many areas, long-term resettlement plans for those communities who were displaced due to damage to their land or the high risk of landslides had not yet been implemented or communicated to displaced households by April 2017. Uncertainty over whether communities would have to resettle permanently also affected their ability to begin rebuilding and recovering from the impacts of the earthquakes. Many displaced households, tired of waiting and facing continuing tensions with local communities, had taken matters into their own hands. Some had chosen to return to their original unsafe land, some had taken high interest loans out to buy land and build on their displaced sites while others had moved to new sites.

Recommendation 9: Communicate the results of geological surveys to affected displaced communities, other locals and local government officials.

Recommendation 10: Implement resettlement solutions in consultation with permanently displaced communities. Such plans need to be developed with the involvement of local communities to avoid conflict and with local authorities.

Vulnerable groups

Vulnerable groups, such as the poor, households in remote areas, Dalits, single women, elderly and historically marginalized groups, are typically among those who have been unable to rebuild by April 2017 or who are getting into high levels of indebtedness while rebuilding. Accessing government loans was harder for these groups, as they were more likely not to have a regular job or networks that could assist in accessing the loans. Additionally, Dalits were more likely to be excluded from access to resources, such as community forests, which provide materials for reconstruction. While additional government support

that has been announced for vulnerable groups is welcome, it is unclear whether it will prevent a delayed recovery and debt traps among these groups unless further support is given.

Recommendation 11: Vulnerable groups, such as the poor, households in remote areas, Dalits, single women, the elderly and other marginalized groups will likely take the longest to rebuild and will need extra support to rebuild their homes that goes beyond existing measures. More discussion is needed on the modalities of extra support to the most vulnerable.

Coordination and local government

Communication on assistance schemes, and their requirements and procedures, in particular in relation to the reconstruction cash grants and required building codes, needs to be improved. Local government offices are often key information providers for communities but tend to lack information themselves. Coordination challenges have been particularly acute in the lack of clarity on the roles and responsibilities

of local government bodies and the NRA and between the different government ministries involved in reconstruction. Within the government, overlaps of duties and a lack of coordination between pre-existing and newly formed bodies reduced efficiency. With local body restructuring being implemented across Nepal, and elections to provincial assemblies planned for late 2017, coordination of responsibilities related to earthquake reconstruction and recovery remains a challenge.

Recommendation 12: Improve communication between government offices by strengthening coordination mechanisms, and information flow between the NRA and government line ministries in Kathmandu, districts headquarters and rural municipalities (Gaupalika).

Recommendation 13: Improve training on NRA policies and procedures for local government officers at Gaupalika and district levels.

These recommendations are those of the authors alone, not the donors to IRM.



Photo: Nayan Pokharel





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