



# Aid and Recovery in Post-Earthquake Nepal

Independent Impacts and Recovery Monitoring Phase 3  
Qualitative Field Monitoring: September 2016



The Asia Foundation



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Independent Impacts and Recovery Monitoring Phase 3  
**Qualitative Field Monitoring: September 2016**

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# PREFACE

**I**n the early weeks after the earthquakes of April and May 2015, The Asia Foundation conducted a study aimed at assessing its impacts on the ground and understanding whether the emergency aid that was flowing in to affected areas was helping people recover. Using both quantitative and qualitative methods, the initial study highlighted just how destructive the earthquakes had been and the immense challenges that would lie ahead. Since then, two further rounds of mixed methods research have been conducted in the same areas, allowing for a tracking of how recovery has been occurring. The second round of research, which involved fieldwork almost a year after the disasters, highlighted new emerging issues. Borrowing had risen massively and the reports discussed the potential for the poor and marginalized to get stuck in a vicious debt trap. Very few at that point had moved from temporary shelters into more sturdy housing. It was clear that the livelihoods of many people, in particular farmers, was recovering very slowly. And tensions were brewing related to a series of contentious damage assessments and perceived mistargeting of aid.

This report presents findings from the third round of research, conducted in September 2016 almost

eighteen months after the earthquakes. Because each round of research takes place in the same areas, with the same people interviewed where possible, the series of studies provides insights into how people's experiences and perceptions are evolving over time.

Between the second and third round of fieldwork, the process of distributing reconstruction cash grants to those whose houses were destroyed or badly damaged, and who were identified as beneficiaries during a new round of assessments, began. This report provides insights into this process and the impacts it has had. It also looks, amongst other things, at overall progress made with regards to reconstruction in the research areas, the make-up of aid in the earthquake-affected zone, and remaining needs. Further, the report discusses the roles and involvement of political parties and other local leaders during reconstruction, changes to social relations, protection issues and vulnerable groups, impacts on the local economy and people's livelihoods, and the coping strategies people are using and their effectiveness.

The fourth round of research is scheduled for April 2017.



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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 Apurba Khatiwada, Soyesh Lakhey, Amanda Manandhar Gurung, Shekhar Parajulee, and Sudip Pokharel, who co-authored the report with TAF contributors Lena Michaels and Sasiwan Chingchit. Patrick Barron provided guidance and inputs throughout.

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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. Andy Murray (UK DFID) and Pia Haenni (SDC) have managed the project from the donor side, and have produced useful inputs at every stage. Thanks also to Stefan Feurst (SDC) and Craig Irwin (DFID) who took over management of the project as the report was being produced. 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

**A** year and a half 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 and 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. This report, produced by Democracy Resource Center Nepal and The Asia Foundation, provides findings and analysis from the third round of IRM monitoring conducted 27 August-13 September 2016.

The report is based on data collected in six earthquake-affected districts, selected to represent varying levels of impact: Gorkha, Sindhupalchowk, Ramechhap, Okhaldhunga, Solukhumbu, and Syangja. Field research methods included participant observation, key informant interviews, and focus group discussions with data gathered at district, VDC, and ward levels. In total, 36 wards (six per district) were visited for the research. The analyses examine changes that have occurred over time, comparing data and findings from all three rounds of research. While the fieldwork was conducted in September, the report includes updated information (to March 2017) on progress with reconstruction where this was available from news and other secondary sources.

## Aid delivery and effectiveness

The coverage of direct aid declined between IRM-2 (February-March 2016) and IRM-3 (September 2016). After early 2016, government aid has focused largely on the distribution of reconstruction grants for private houses and some limited livelihood support. Direct aid and relief distribution from I/NGOs

declined, although non-governmental support for housing reconstruction increased. Generally, I/NGOs focused on 'soft' forms of support, such as trainings and awareness raising, rather than direct assistance for rebuilding. The distribution of aid remained uneven. Non-governmental aid was concentrated in severely hit districts, in particular Sindhupalchowk and Gorkha. In contrast to earlier rounds of IRM, remote VDCs received noticeably less assistance than have more accessible areas, largely because of transportation problems during the monsoon.

The gap between needs and aid provided seemed to be increasing. The reconstruction of houses remained the primary need, while other identified needs included the reconstruction of community infrastructure, water and sanitation, farm inputs, health care and improvement of school infrastructure. Yet, progress in reconstruction was slow and the cash amounts provided for the purpose were considered to be insufficient by earthquake-affected households struggling to finance reconstruction. Awareness of and access to loan schemes remained very low. All this increased dissatisfaction with aid providers. Dissatisfaction with I/NGOs was rising primarily due to the perception that the aid provided did not fit with needs. Discontent with the government and political parties also increased, largely due to frustrations over delays in the housing reconstruction program, unclear policies, and delays in addressing complaints. Local government offices did not systematically record people's needs nor coordinate between themselves and with non-governmental organizations to facilitate a shared understanding of needs. This meant that many needs beyond reconstruction remained unaddressed.

There have been weaknesses in the coordination of aid – between different arms of government and between the state and I/NGOs. Overlap of duties, and an unclear division of responsibilities, between different government bodies has reduced efficiency. Communication between various levels of government was also weak and irregular.

At the time of the research, progress in distributing reconstruction cash grants for private houses was slow, although there has been substantial progress in the months since then. People were frustrated with the CBS damage assessment, not understanding the criteria used and why some who had benefitted in the past from government aid did not make the list. This led to delays due to local protests in over one-third of the wards visited where the assessment had been conducted. However, disputes were generally solved; and people were happier with the process of signing cash grant agreements. Ward Citizen Forums, as well as I/NGOs, played an active role in disseminating information about the program. Delays in the program, however, were one factor leading some people to start rebuilding themselves, frequently not using earthquake-safe measures.

### **Politics and leadership**

The formal role of political parties in recovery efforts was reduced with the beginning of the reconstruction phase due to the technical and bureaucratic approach of the reconstruction process in general and the cash grant program in particular. They were not formally involved in the Central Bureau of Statistics (CBS) assessment or the cash grant agreement process. This led to increasing dissatisfaction among political leaders. Citizen dissatisfaction with political parties was also high due to their lack of formal involvement in earthquake related activities more than any real or perceived politicization of relief or recovery work. As in IRM-2, political parties also did not conduct their own activities at the local level to assist the recovery and reconstruction process. However, as observed in previous rounds, government officials continued to consult with and rely on political parties for decisions on local governance. Further, communities continued to look to their local leaders for assistance and information. Local political party representatives therefore were able to play crucial roles in facilitating communication between government offices and local communities. They were involved in obstructions of the cash grant process to raise the concerns and demands of those excluded from the beneficiary lists but were also instrumental in negotiating the resumption of the process by seeking assurances from government officials that grievances would be addressed. While they had no formal role, local political party representatives were often individually and informally involved in the cash grant process and other recovery efforts. Many leaders were found to be assisting individual earthquake victims with procedures and complaints during the signing of cash grant agreements and the distribution of the first installment of the grant. Yet, there was little room for the emergence of new leadership.

### **Social relations and conflicts**

Social relations have generally been good since the earthquakes and remained unchanged between IRM-2 and IRM-3 in most of the wards visited. There was no increase of crime and people generally felt safe. In several places where tensions were reported in IRM-2, these had since disappeared. As the volume and coverage of aid declined, complaints about uneven access to aid and perceived discrimination in distribution also decreased. However, conflicts and tensions continued where local disagreements over displacement and resettlement were not addressed. Caste-based discrimination often shaped the nature of these conflicts and water scarcity seemed to aggravate such tensions.

Strong social cohesion enabled community members to assist each other during the recovery process and help speed rebuilding for example through labor sharing practices and communal efforts. Further, social networks beyond the immediate community was observed to facilitate access to financial and material resources for rebuilding as well as information. Marginalized groups, however, were less likely to access and benefit from extended networks but families were sometimes helping each other within communities across caste and ethnic divisions.

### **Protection and vulnerability**

The displaced and those living in temporary shelters remain among the most vulnerable as they face a multitude of problems including exposure to harsh weather conditions and, in the case of the displaced, tensions with the local communities in their new settlements. Vulnerability was increased for those returning to damaged houses or landslide-prone land without repairs or land assessments having been conducted to avoid hardships. Various health problems associated with living in shelters such as asthma among the elderly and pneumonia among children, as well as diarrhea and dysentery due to poor sanitary conditions, continued to be common in temporary shelters. Malnutrition among children was also observed by respondents to have increased among those in temporary shelters.

Women, children, and the elderly were considered to be more vulnerable as they faced particular risks, especially health risks. Women faced additional risks of gender-based violence and trafficking. People in remote areas also continued to be more vulnerable as they faced greater obstacles accessing cash grants, due to longer travel time and higher costs to reach locations where the required documents are issued and the cash grants are disbursed via banks. Further, costs for transporting construction materials were also higher in remote areas.

While marginalized groups in general were observed to be falling behind in their recovery in IRM-3, thus becoming more vulnerable to debt traps, endemic poverty and exploitation, Dalits were standing out as a highly vulnerable group. Dalits have been slower to recover their livelihoods and to rebuild their houses, due to economic, social, and structural obstacles. Discrimination against Dalits was common and many lacked assets, alternative income sources, and access to credit that would help them cope.

## **Economy and livelihoods**

Livelihoods have been recovering and very few households have changed their primary occupation but pre-existing conditions of poverty in earthquake-affected areas have shaped recovery and trends predating the earthquakes, such as the move away from agriculture, urbanization, and reliance on remittances from migrant labor, are likely to be reinforced.

Markets were fully operating in areas visited. Good rainfall during the 2016 monsoon had a positive impact on recovery of the agricultural sector but negatively affected transportation and travel. Prices for construction materials and transportation were significantly higher than before the earthquakes as well as during IRM-1 and IRM-2, increasing the costs of rebuilding. Higher wages for laborers and water shortages further raised construction costs.

Farmers were the most strongly impacted group, in terms of numbers of affected households as well as the nature of ongoing difficulties. Despite returning to cultivating their land quickly after the earthquakes, farmers are facing significant challenges and continue to be most in need of assistance. Water shortages due to insufficient rainfall, the drying of water sources, and damaged irrigation systems affected agriculture in many areas. Livestock farming also continued to be affected by the earthquakes and the resulting shortage of manure had implications for agriculture. Farmers who were displaced or lost family members and livestock were struggling the most.

Businesses were recovering, with the exception of some small businesses that lost everything and where owners had no alternative income sources. The tourism sector, too, was beginning to recover after long-term disruptions. It was widely expected that tourism would resume during the upcoming tourist season in late 2016 because of good bookings for this season.

The labor sector continued to gain. Demands for wage labor, especially in construction, increased. Yet, Dalits only marginally benefitted from this despite commonly depending on wage labor as income source given other significant challenges Dalits face in their recovery.

Livelihoods support was sporadic and unevenly distributed but widely cited as important need, especially for farmers who have been struggling since the earthquakes despite generally being able to return to farming.

Borrowing was very common across areas visited since before the earthquakes but did not increase significantly between IRM-2 and IRM-3. Where it did increase, it was for house reconstruction, especially in Solukhumbu and Syangja, the two districts where the cash grant agreement process had not begun. Many said they would have to borrow more to rebuild but hoped for improved access to low-interest loans. Borrowing from informal sources such as moneylenders, friends, family, or other individuals was significantly more common than borrowing from banks as the former were seen to be more accessible and flexible and many therefore preferred them despite higher interest rates.

For marginalized groups such as Dalits, accessing credit was particularly difficult, but rising debts were a worry for many households and the risk of debt traps was observed to be increasing. Labor migration is common and has generally continued after the earthquakes. Migration rates are likely to increase if households struggle to finance the reconstruction of their houses and to pay back loans. The majority of households did not have to adjust consumption. Sale of assets was minimal and mostly limited to the sale of livestock. But there were isolated cases of households that sold assets to finance reconstruction and more tried to sell but were unsuccessful.



# LIST OF ACRONYMS

|         |   |
|---------|---|
| APM     | All Party Mechanism   |
| CBS     | Central Bureau of Statistics  |
| CDO     | Chief District Officer  |
| CEO     | Chief Executive Officer   |
| CFP     | Common Feedback Project   |
| CGI     | Corrugated Galvanized Iron  |
| CL-PIU  | Central Level Programme Implementation Unit   |
| CPN-MC  | Communist Party of Nepal (Maoist-Centre)  |
| CPN-UML | Communist Party of Nepal (Unified Marxist Leninist)   |
| CSRC    | Community Self-Reliance Center  |
| DADO    | District Agriculture Development Office   |
| DAO     | District Administration Office  |
| DCC     | District Coordination Committee   |
| DDC     | District Development Committee  |
| DDRC    | District Disaster Relief Committee  |
| DFID    | UK Department for International Development   |
| DFO     | District Forest Office  |
| DL-PIU  | District Level Programme Implementation Unit  |
| DLSA    | District Lead Support Agencies  |
| DLSC    | District Livestock Service Center   |
| DRCN    | Democracy Resource Center Nepal   |
| DTM     | Displacement Tracking Matrix  |
| DUDBC   | Department of Urban Development and Building Construction                                       |
| FGD     | Focus Group Discussion  |
| HRRP    | Housing Recovery and Reconstruction Platform  |
| INGO    | International non-governmental organization   |
| IOM     | International Organisation for Migration  |
| 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)       |
| JICA   | Japan International Cooperation Agency              |
| LDO    | Local Development Officer                           |
| MCA    | Manaslu Conservation Area                           |
| MoFALD | Ministry of Federal Affairs and Local Development   |
| MoUD   | Ministry of Urban Development                       |
| MP     | Member of Parliament                                |
| NC     | Nepali Congress                                     |
| NGO    | Non-governmental organization                       |
| NPC    | Nepal Planning Commission                           |
| NPR    | Nepali Rupees                                       |
| NRA    | National Reconstruction Authority                   |
| PDNA   | Post-Disaster Needs Assessment                      |
| PDRF   | Post-Disaster Recovery Framework                    |
| RDC    | Relief Distribution Committee                       |
| RHRP   | Rural Housing Reconstruction Program                |
| SDC    | Swiss Agency for Development and Cooperation        |
| TAF    | The Asia Foundation                                 |
| UN     | United Nations                                      |
| UNDP   | United Nations Development Program                  |
| UNICEF | United Nations Children's Emergency Fund            |
| USAID  | United States Agency for International Development  |
| USD    | United States Dollars                               |
| VDC    | Village Development Committee                       |
| WCF    | Ward Citizen Forum                                  |

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Photo: Binu Sharma



# Chapter 1.

# Introduction



Photo: Anurag Devkota

## 1.1 Background

The impacts of natural disasters can be enduring and will evolve over time. Many impacts—deaths, destroyed houses, and infrastructure—are immediate. But other effects play out over the longer run. Trauma and vulnerability to illness, for example, may last for months or even years after the initial disaster. The impacts on people’s livelihoods and income sources may only become clear after time has passed. Pre-existing social, economic, and political norms and institutions may change as people find ways to get by and recover. Aid, in turn, may shape such relations and institutions and patterns of recovery. Long after the flashlight of international media attention has dimmed, disaster-affected people will face continuing and morphing challenges that need to be overcome if they are to fully recover. Understanding these challenges, along with how people are coping, is key if recovery and reconstruction aid is to be effective.

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.<sup>1</sup> The findings from the two reports will be synthesized into a third report.

The information provided is from the third wave of a ward-level longitudinal qualitative field research study. The methodology combines participant observation, interviews, and focus group discussion methods. In the third wave of research, additional interviews with citizens were also conducted to understand more clearly citizens’ perspectives about

<sup>1</sup> The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 3 – Quantitative Survey (February and March 2016)*. Kathmandu and Bangkok: The Asia Foundation. All IRM reports are available at: <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>

the thematic issues covered by the research. This report focuses on findings from the third phase of research (IRM-3), which took place from 27 August to 13 September 2016. Six teams of DRCN researchers conducted research in a total of 36 wards across six earthquake-affected districts.

The first wave of the research (IRM-1) was concluded eight weeks after the 25 April 2015 earthquake and therefore focused on the delivery of humanitarian assistance and the earliest phases of recovery.<sup>2</sup> The first phase of monitoring made a series of recommendations on the 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.<sup>3</sup> 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 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.

In this third round of research (IRM-3), conducted in September 2016, 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.<sup>4</sup>

## 1.2 Focus areas

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

### **Aid delivery and effectiveness**

How have affected villagers and communities experienced the recovery effort at the local level and how

effective has been the effort in addressing their needs? Here, the report examines how the types and volumes of aid provided have evolved over time, how assistance has been targeted and delivered, coordinating mechanisms (including the government's institutional framework for coordination), how decisions have been made and complaints resolved (including levels

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Recommendations are from the authors alone and do not necessarily reflect the views of the donors.





Photo: Anurag Devkota

of local participation), 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.

### **Social relations and conflict**

What have the impacts of the disaster and subsequent aid and reconstruction efforts been on social relations such as relations within settlements and groups (among caste, religious, and ethnic groups) as well as inter-settlement and inter-group relations? Have patterns of violence and crime emerged that are

directly related to the disaster and aid effort? Here, the report examines whether social relations have changed over time since the earthquakes and what the (potential) sources of conflict are.

### **Protection and vulnerability**

Did new vulnerabilities and challenges related to protecting vulnerable groups arise due to the impact of the earthquake and how have these evolved? The report discusses factors increasing people's vulnerability and examines which groups are particularly vulnerable.

### **Economy and livelihoods**

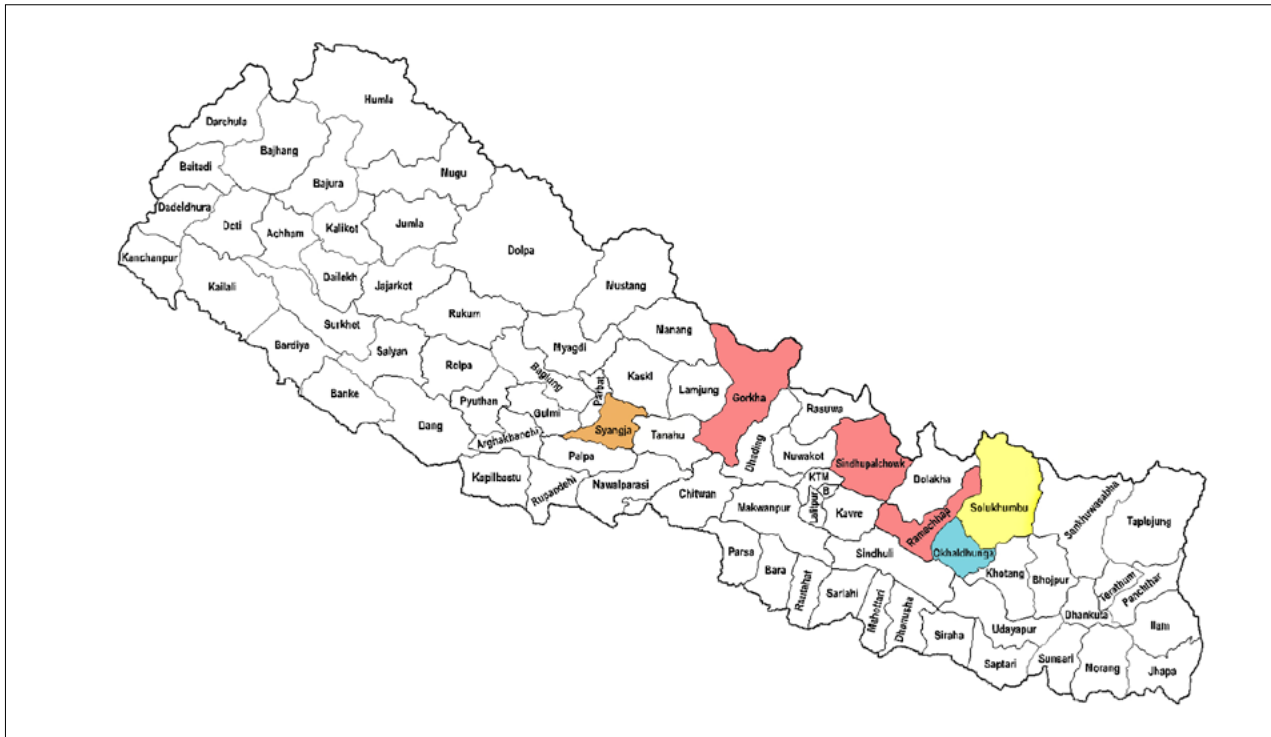
What are the ongoing impacts of the disaster and the aid response on occupational groups such as farmers, entrepreneurs, and casual laborers? The report examines issues related to livelihoods, including debt and credit, land tenure, access to markets, in- and out- migration, and remittances, discussing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



## 1.3 Methods

This report is based on in-depth qualitative field research conducted between 27 August and 13 September 2016. Researchers visited 36 wards in 18 VDCs/municipalities<sup>5</sup> in six earthquake-affected districts: Gorkha, Okhaldhunga, Ramechhap, Syangja, Sind-

hupalchowk, and Solukhumbu, all of which were also visited in IRM-2 (Map 1).<sup>6</sup> Researchers also spent time in district headquarters to track changes or developments in the dynamics of the aid response and reconstruction processes.



**Map 1:** Research districts

As with previous rounds, the research teams used key informant interviews, focus group discussions, citizens interviews, and participant observation to gather two kinds of data. First, they collected standardized data on the five focus areas at the district, VDC, and ward levels. This facilitated comparisons of the impact, emerging issues, and the disaster response across research areas. Second, teams provided a descriptive picture of the five research areas through in-depth field research. The data were used to explain changes in the five 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 level. 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.

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

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. Among the 18 VDCs/municipalities that were visited, eight were high impact, seven were medium impact, and three were low impact. Similarly, nine VDCs/municipalities were

<sup>5</sup> The research covered 15 VDCs and three municipalities. In this report, unless mentioned otherwise, VDCs should be read to include municipalities.

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



Photo: Binu Sharma

accessible, seven were remote, and two were accessible as well as remote depending on where the affected areas in the VDC were located. 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.

**Table 1.1:** District level earthquake impact (PDNA)

| Severely hit   | Crisis hit  | Hit with heavy losses | Hit     |
|----------------|-------------|-----------------------|---------|
| Ramechhap      | Okhaldhunga | Solukhumbu            | Syangja |
| Gorkha         |             |                       |         |
| Sindhupalchowk |             |                       |         |

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. A more complete description of the research methodology is provided in Annex A.

## 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.<sup>7</sup> 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.

<sup>7</sup> The VDCs and wards visited in IRM-2 and IRM-3 remained the same. However, two districts changed after IRM-1 to reflect the PDNA damage categories that were not yet public at the time of the first research round. Therefore, only in four districts were selected VDCs and wards visited in all three research rounds.

## 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** discusses the types and volumes of *aid* distributed, including the distribution of cash grants for the reconstruction of private houses, patterns of aid distribution, as well as 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 4** 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 process. The emergence of

new leadership at the local level and levels of support for political parties are also discussed.

**Chapter 5** discusses the impact of the earthquake and the response on *social relations* and issues that may lead, or already have led, to *conflict* and tensions. This chapter also traces the changes in social relations since the early weeks of relief distribution.

**Chapter 6** focuses on *protection* issues and factors that increase *vulnerability* in affected areas, especially for some groups.

**Chapter 7** 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-2



Photo: Nayan Pokharel

## 2.1 Current status of reconstruction

At the time of IRM-2 (February-March 2016), the reconstruction of damaged structures had not yet fully begun as policy frameworks to guide reconstruction were still being developed. By IRM-3 (early September 2016), the signing of agreements with beneficiaries to receive cash assistance for reconstruction was ongoing but many had not yet received the cash in hand. With the monsoon having just ended, and many roads inaccessible and transportation difficult, weather conditions were only starting to improve allowing construction to take place.

According to the PDNA, 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 (see Annex B).<sup>8</sup> Those whose houses were majorly damaged are eligible to receive reconstruction cash grants through the Rural Housing Reconstruction Program (RHRP), which is

implemented by the NRA with donor support; those whose houses were partially damaged are now eligible for retrofitting grants (see below).<sup>9</sup> According to the latest results from a new assessment conducted by the Central Bureau of Statistics (CBS), 626,695 private houses across the 14 most affected districts have now been identified as fully damaged and eligible to receive reconstruction cash assistance.<sup>10</sup> A further 19,866 private houses have been assessed as partially damaged and deemed eligible for cash assistance for retrofitting.<sup>11</sup> This figure will likely increase as more districts are covered.

Progress in rebuilding has been slow — both compared to other post-disaster contexts such as Aceh and Sichuan and in the perception of many of the earthquake-affected. By December 2016, more than 18 months after the disasters, a total of 41,311 houses had been rebuilt according to the National Reconstruction

<sup>8</sup> Government of Nepal, National Planning Commission, *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu 2015. (available at: <http://www.nra.gov.np/uploads/docs/PDNA%20Volume%20A%20Final.pdf>).

<sup>9</sup> Support for retrofitting was only made available by a Cabinet decision on 29 December 2016 when The Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (2073 BS) was adopted <http://nra.gov.np/download/details/187>. According to this document, eligible households will receive NPR 100,000 as a retrofitting cash grant.

<sup>10</sup> NRA Note on the state of distribution of Reconstruction Cash Grant, January 31, 2017 (available at: <http://nra.gov.np/news/details/205>). Also note, this data includes assessments from only 14 districts of 31 earthquake-affected districts.

<sup>11</sup> The Himalayan Times, '19,866 to get aid for retrofitting houses', 13 February 2017 (available at: [https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm\\_source=HRP+Partners+List&utm\\_campaign=04fdd1fc76-EMAIL\\_CAMPAIGN\\_2017\\_02\\_20&utm\\_medium=email&utm\\_term=0\\_62c42fcbf3-04fdd1fc76-91915509](https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm_source=HRP+Partners+List&utm_campaign=04fdd1fc76-EMAIL_CAMPAIGN_2017_02_20&utm_medium=email&utm_term=0_62c42fcbf3-04fdd1fc76-91915509)).

Authority (NRA).<sup>12</sup> This data, however, contradicts that provided by the Ministry of Urban Development's Central Level Project Implementation Unit, which states that only 18,485 houses had been reconstructed by February 2017.<sup>13</sup> Many of these houses and other structures have been rebuilt through individual efforts and non-governmental assistance since the earthquakes.

At the time of the IRM-3 fieldwork in September 2016, the signing of beneficiary agreements and distribution of the first installment of the reconstruction cash grant was underway in 11 districts, including the following districts visited during the research: Gorkha, Sindhupalchowk, Ramechhap, and Okhaldhunga. Of the six districts visited, the assessment and cash grant agreement processes had not yet started in Solukhumbu and Syangja at the time of research. The NRA began the process of signing cash grant agreements with these beneficiaries on 13 March 2016 in Dolakha district and started distributing the first installment of the grant

shortly after in May 2016.<sup>14</sup> As of 5 March 2017, 553,111 households across all districts had signed beneficiary agreements and 532,260 had received the first installment of the grant in their beneficiary bank account. No data exists on how many people have withdrawn the amount from their account.<sup>15</sup> NRA data show that as of January 2017 41 percent of complaints received had been reviewed.

Although the reconstruction of private houses has been the "special priority" of the NRA, infrastructure was also badly damaged and roads, bridges, health posts, schools, water pipes and taps, and electricity poles and hydropower projects, amongst other infrastructure, needed to be rebuilt or repaired. Government buildings have also been damaged. According to the PDNA, infrastructure worth NPR 57 billion was destroyed.<sup>16</sup> Most has not yet been rebuilt although much progress has been made with regards to repairing and rebuilding schools, health posts, roads, and water sources.

**Table 2.1: Progress of private house reconstruction and cash grant distribution in the research areas<sup>17</sup>**

|  | Total (nationwide)    | Gorkha | Sindhupalchowk | Ramechhap | Okhaldhunga |
|--|-----------------------|--------|----------------|-----------|-------------|
| <i>Damage and assessments</i>  |                       |        |                |           |             |
| Private houses severely or fully damaged (damage grades 3-5 in CBS assessment) <sup>18</sup> | N/A <sup>19</sup>     | 65,168 | 85,499         | 49,345    | 22,786      |
| Private house owners identified as beneficiaries <sup>20</sup>                               | 626,695 <sup>21</sup> | 58,503 | 78,537         | 43,609    | 19,819      |
| Households identified for retrofitting grants <sup>22</sup>                                  | 19,866                | 2,019  | 376            | 2,149     | 1,643       |

<sup>12</sup> <http://nra.gov.np/uploads/docs/ctQFbclKaF161229054220.pdf>.

<sup>13</sup> <http://202.45.144.197/nfdnfs/clpiu/index.htm>

<sup>14</sup> In September 2016, at the time of research, the Central Bureau of Statistics (CBS) had only conducted surveys in severely hit and crisis hit districts: Dhading, Dolakha, Gorkha, Kavrepalanchok, Makawanpur, Nuwakot, Okhaldhunga, Ramechhap, Rasuwa, Sindhuli, and Sindhupalchowk. The CBS assessment had not yet finished in 17 out of 31 affected districts as of March 2017.

<sup>15</sup> <http://www.mofald.gov.np/ne/node/1814?utm>

<sup>16</sup> Government of Nepal, National Planning Commission, *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu 2015. <http://www.nra.gov.np/uploads/docs/PDNA%20Volume%20A%20Final.pdf>

<sup>17</sup> As the CBS survey was not yet conducted in Solukhumbu and Syangja, two of the four districts visited, no data exist for these districts. Source for numbers in this table, unless indicated otherwise: <http://hrrpnepal.org/maps/map-and-infographics/district-profile/>

<sup>18</sup> District data as of early 2017 for houses assigned damage grades 3-5 in the CBS assessment (major damages or fully destroyed).

<http://hrrpnepal.org/maps/map-and-infographics/district-profile/?page=1>

<sup>19</sup> The CBS assessment is still ongoing. According to the PDNA a total of 755,549 private houses were fully or partially damaged (498,852 fully destroyed and a total of 256,697 partially damaged). See, *Government of Nepal, National Planning Commission, Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu 2015. <http://www.nra.gov.np/uploads/docs/PDNA%20Volume%20A%20Final.pdf>

<sup>20</sup> <http://www.mofald.gov.np/ne/node/1814?utm>

<sup>21</sup> *Ibid.* Note: The CBS assessment had not yet finished in 17 out of 31 affected districts as of March 2017. The total number therefore only refers to households from the 14 priority districts rather than all earthquake-affected districts.

<sup>22</sup> The Himalayan Times, 19,866 to get aid for retrofitting houses, 13 February 2017 [https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm\\_source=HRRP+Partners+List&utm\\_campaign=04fdd1fc76-EMAIL\\_CAMPAIGN\\_2017\\_02\\_20&utm\\_medium=email&utm\\_term=0\\_62c42fcbf3-04fdd1fc76-91915509](https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm_source=HRRP+Partners+List&utm_campaign=04fdd1fc76-EMAIL_CAMPAIGN_2017_02_20&utm_medium=email&utm_term=0_62c42fcbf3-04fdd1fc76-91915509)



|  | Total<br>(nationwide) | Gorkha | Sindhupalchowk | Ramechhap | Okhaldhunga |
|--|-----------------------|--------|----------------|-----------|-------------|
| <b>Cash grants</b>   |                       |        |                |           |             |
| Beneficiaries who signed reconstruction cash grant agreements as of March 2017 <sup>23</sup>                             | 553,111               | 53,349 | 74,924         | 40,911    | 18,489      |
| Beneficiaries who received the first installment of the reconstruction cash grant (in beneficiary account) <sup>24</sup> | 532,260               | 52,675 | 74,912         | 39,759    | 18,301      |
| <b>Complaints</b>  |                       |        |                |           |             |
| Registered complaints at the local level <sup>25</sup>   | 205,196               | 15,746 | 14,447         | 13,972    | 7,810       |
| Complaints reviewed by the NRA as of January 2017 <sup>26</sup>  | 83,413                | 11,606 | 2,964          | 8,553     | 6,775       |
| Approved complaints <sup>27</sup>  | 21,459                | 2,313  | 1,269          | 1,043     | 346         |
| Complaints needing further field verification <sup>28</sup>  | 4,255                 | 849    | 114            | 342       | 273         |
| Reassessment ordered by the NRA <sup>29</sup>  | 21,613                | 2,609  | 1,016          | 2,376     | 1,581       |
| Rejected complaints <sup>30</sup>  | 36,086                | 5,835  | 565            | 4,792     | 4,575       |
| <b>Reconstruction</b>  |                       |        |                |           |             |
| Houses already rebuilt by reconstruction scheme beneficiaries as of March 2017 <sup>31</sup>                             | 2,265                 | N/A    | 22             | 709       | N/A         |
| Number of self-constructed houses (without assistance) as of March 2017 <sup>32</sup>                                    | 16,220                | N/A    | 1,293          | 1,199     | N/A         |

Damage to land and potential risks, especially for landslides, have now been assessed in many areas in 14 districts by geo-hazards risk assessment teams.<sup>33</sup> Many communities have faced uncertainty since the earthquakes about whether they can continue to live on or return to land which is feared to be unsafe due

to landslides, cracks, or other geological risks. The need for land assessments has been highlighted in previous rounds of the IRM research, being identified by local stakeholders as a major need. It is therefore encouraging that progress has been made in this area.

<sup>23</sup> <http://www.mofald.gov.np/ne/node/1814?utm>

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.*

<sup>26</sup> HRRP Weekly Bulletin 13 Feb 2017 <http://hrrpnepal.org/resources-documents/weekly-bulletins/weekly-bulletin-13-february-2017/>

<sup>27</sup> Includes both probably beneficiaries (deemed eligible post-verification) and potential beneficiaries (cases of multiple ownership). HRRP Weekly Bulletin 13 Feb 2017 <http://hrrpnepal.org/resources-documents/weekly-bulletins/weekly-bulletin-13-february-2017/>

<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

<sup>31</sup> Data from MoUD-CLPIU MIS portal: <http://202.45.144.197/nfdnfs/clpiu/index.htm>.

<sup>32</sup> *Ibid.*

<sup>33</sup> <https://drive.google.com/file/d/oB2zdLrvH1l4uVVBjRVNaYTRvekU/view>; [http://www.bbc.com/nepali/news-38965185?utm\\_source=HRRP+Partners+List&utm\\_campaign=04fdd1fc76-EMAIL\\_CAMPAIGN\\_2017\\_02\\_20&utm\\_medium=email&utm\\_term=0\\_62c42fcfb3-04fdd1fc76-91915509](http://www.bbc.com/nepali/news-38965185?utm_source=HRRP+Partners+List&utm_campaign=04fdd1fc76-EMAIL_CAMPAIGN_2017_02_20&utm_medium=email&utm_term=0_62c42fcfb3-04fdd1fc76-91915509)

## 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. In May 2016, over one year after the first major earthquake on 25 April 2015, the NRA published the Post Disaster Recovery Framework (PDRF) which establishes the institutional and policy framework for reconstruction from 2016 to 2020.<sup>34</sup>

The NRA was legally established by the NRA Act in late December 2015 but did not begin operations until mid-January 2016.<sup>35</sup> In 2015, a focus on the promulgation of the Constitution, political protests and difference between political parties, as well as an economic blockade along the Nepal-India border delayed the adoption of the NRA Act and the establishment of the NRA.<sup>36</sup> Disagreements between then coalition partners regarding the appointment of the NRA CEO also prevented the timely passing of the act. The NRA has admitted that the ongoing political transition in Nepal is a major challenge to reconstruction and also cited the difficult geographical terrain as a factor delaying the provision of assistance to remote parts of the country.<sup>37</sup>

Other challenges the NRA has faced include staffing issues. The agency is reportedly facing difficulties in attracting and retaining civil service staff.<sup>38</sup> In December 2016, engineers deployed by the Ministry of Urban Development Central Level Programme Implementation Unit (MoUD CL-PIU) went on strike, citing poor conditions.<sup>39</sup> Additionally, the NRA has highlighted shortages in technical staff and trained masons in earthquake-affected districts.<sup>40</sup> In response, the NRA

reached an agreement with the Nepal Army to mobilize 200 army staff, including masons and carpenters in Sindhuli, Okhaldhunga, and Ramechhap districts, where there is an acute lack of skilled masons and technical manpower.<sup>41</sup> The NRA has also started training 3,500 final year civil engineering students to assist in reconstruction across the 14 most-affected districts.<sup>42</sup>

The NRA is mandated to work closely with a number of other government ministries. The Ministry of Federal Affairs and Local Development (MoFALD), through its Central Level Programme Implementation Unit (CL-PIU) and District Level Programme Implementation Units (DL-PIUs), holds primary responsibility for the disbursement of the housing grant. Primary responsibility for technical standards and staffing for housing reconstruction are the responsibility of the Ministry of Urban Development (MoUD), through its CL-PIU and DL-PIUs, as well as the Department of Urban Development and Building Construction (DUDBC).

A Multi Donor Trust Fund assists the NRA and supports the government-led Rural Housing Reconstruction Program (RHRP).<sup>43</sup> The main partners involved are the World Bank, USAID, SDC, the Government of Canada, and DFID. The fund also works closely with JICA and other development partners. The Housing Recovery and Reconstruction Platform (HRRP) further provides assistance through strategic planning and technical guidance to agencies involved in recovery and reconstruction and to the Government of Nepal, supporting the coordination of the national reconstruction program and facilitating coordination with other stakeholders.<sup>44</sup>

<sup>34</sup> Post Disaster Recovery Framework 2016-2020, NRA, May 2016. <http://nra.gov.np/uploads/docs/84LdZ2BkQ8161026092851.pdf>

<sup>35</sup> NRA Act (Official Translation), December 2015. Available at <http://hrrpnepal.org/media/9148/nra-act-english-official-translation.pdf>

<sup>36</sup> For more information, see: 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, pp. 9-10.

<sup>37</sup> NRA Press Note of 25 December 2016 <http://nra.gov.np/uploads/docs/HQYgvmi4CG161228085528.pdf>

<sup>38</sup> 'Staff crunch dogs NRA since birth', 26 December 2016, <http://kathmandupost.ekantipur.com/news/2016-12-26/staff-crunch-dogs-nra-since-birth.html>

<sup>39</sup> 'Engineers halt post-quake reconstruction work, put forth various

demands', 12 December 2016, <http://setopati.net/politics/18944/Engineers-halt-post-quake-reconstruction-work,-put-forth-various-demands/>

<sup>40</sup> 'Shortage of masons threatens to hamper reconstruction efforts', 25 January 2016, <http://kathmandupost.ekantipur.com/news/2017-01-25/shortage-of-masons-threatens-to-hamper-reconstruction-efforts.html>

<sup>41</sup> 'Nepal Army personnel to aid house reconstruction', 21 January 2017, <http://kathmandupost.ekantipur.com/news/2017-01-21/nepal-army-personnel-to-aid-house-reconstruction.html>

<sup>42</sup> 'Students to get involved in reconstruction work', 19 February 2017, <https://thehimalayantimes.com/nepal/students-get-involved-reconstruction-work/>

<sup>43</sup> <https://www.nepalhousingreconstruction.org>. See also, <http://hrrpnepal.org/media/78963/nepal-rural-housing-reconstruction-program.pdf>

<sup>44</sup> <http://hrrpnepal.org/>

## The Rural Housing Reconstruction Program (RHRP)

In order to get people back into safer, permanent housing, the Government of Nepal and major donors developed the Nepal Rural Housing Reconstruction Program (RHRP).<sup>45</sup> Through this program, which emphasizes owner-driven reconstruction, cash grants of NPR 300,000 are provided in three instalments to eligible beneficiaries to aid them in building earthquake-resistant houses. The June 2015 credit agreement between donors and the government<sup>46</sup> requires the government to conduct a house-by-house damage assessment and eligibility survey, sign a participation agreement between eligible beneficiaries and the government, provide housing grants in three tranches through bank accounts, release subsequent tranches based on progress achieved in resilient construction and conduct comprehensive, multi-tier, and hands-on training.<sup>47</sup> While non-governmental and individual donors have also provided cash assistance to earthquake victims including support for rebuilding, the RHRP is the main mechanism through which resources are being provided to those whose house was destroyed or badly damaged.

### The CBS assessment

In February 2016, the government began a new round of damage assessments aimed at identifying reconstruction grant beneficiaries. Previous rounds of assessments, used to identify beneficiaries for emergency and winter relief distribution, had been contentious with a large number of complaints across affected districts and protests against beneficiary lists in some areas.<sup>48</sup> It was believed that a new, more technically sound assessment was needed. The new assessment—

the third since the 2015 earthquakes—was conducted by the Central Bureau of Statistics (CBS) at the behest of the NRA. The CBS initially deployed engineers to the 11 most affected districts, excluding districts categorized by the government as being ‘hit with heavy losses’ or ‘hit’. Assessments in three additional districts in the Kathmandu valley have been completed in 2016 while assessments of the remaining 17 lesser-affected districts, which started in late 2016, are ongoing as of March 2017 and have yet to be completed.<sup>49</sup>

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’).<sup>50</sup> 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 (see below).<sup>51</sup>

The CBS assessment was not without controversy (see Chapter 3 and the IRM Thematic Paper on Reconstruction Cash Grants).<sup>52</sup> Firstly, it delayed the distribution of assistance in the form of reconstruction cash grants in less-affected districts, causing uncertainty and frustration as well as uncertainty among earthquake victims there.<sup>53</sup> Frustrations were also expressed in districts where the CBS assessment was conducted. Many earthquake victims, as well as some local officials and leaders, complained that the assessment was conducted without sufficient staff and

<sup>45</sup> The Nepal Rural Housing Reconstruction Program (RHRP) is also sometimes called Earthquake Housing Reconstruction Program (EHRP) or Nepal Housing Reconstruction Program (NHRP). For a program overview see: <http://www.nepalhousingreconstruction.org/documents/nepal-earthquake-housing-reconstruction-program-overview-summary>. Also see <https://www.nepalhousingreconstruction.org>

<sup>46</sup> <http://www.worldbank.org/en/news/speech/2015/06/25/world-bank-group-pledge-statement-at-the-international-conference-on-nepals-reconstruction-2015>

<sup>47</sup> <https://www.nepalhousingreconstruction.org>; <http://hrrpnepal.org/media/78963/nepal-rural-housing-reconstruction-program.pdf>. For detailed information on the reconstruction grants see, ‘Information Booklet – Housing Reconstruction Grant – Vol I (Nepali version)’ [http://hrrpnepal.org/media/39293/book\\_nra-2016\\_final\\_20160310.pdf](http://hrrpnepal.org/media/39293/book_nra-2016_final_20160310.pdf)

<sup>48</sup> For more information on various rounds of assessments and related protests, see The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation. And, 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 <http://asiafoundation.org/tag/independent-impacts-and-recovery-monitoring-nepal/>

<sup>49</sup> As of 16<sup>th</sup> March, the assessments were 83% complete according to HRRP.

<sup>50</sup> For definitions of the damage categories used during the CBS assessment see: [http://hrrpnepal.org/media/102534/cbs\\_damage\\_category\\_definition.pdf](http://hrrpnepal.org/media/102534/cbs_damage_category_definition.pdf)

<sup>51</sup> [http://hrrpnepal.org/media/121155/170108\\_grant\\_disbursement\\_privatehouses-2073-2016\\_unofficialtranslation.pdf](http://hrrpnepal.org/media/121155/170108_grant_disbursement_privatehouses-2073-2016_unofficialtranslation.pdf)

<sup>52</sup> 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.

<sup>53</sup> Three rounds of IRM research have shown that even in lesser-affected districts, there are pockets of high impact with many destroyed and damaged houses.

technical knowledge and without local involvement.<sup>54</sup> Of those who were declared not to be eligible for the reconstruction grant, almost one-third believed they should be.<sup>55</sup>

### Cash grant agreements

The process of signing reconstruction grant agreements with beneficiaries began in March 2016. A total of 533,182 houses were initially deemed eligible for receiving the house reconstruction grant in the 11 most affected districts.<sup>56</sup> Later, an additional 94,459 beneficiaries were deemed eligible after assessments were completed in Lalitpur, Bhaktapur, and Kathmandu districts in the Kathmandu valley. The process is ongoing and more will be listed as beneficiaries after assessments are completed in all districts and after complaints are verified and addressed. As of late February 2017, 626,695 households were listed as beneficiaries and 553,111 had signed beneficiary agreements (see Table 2.1 above).

In many districts, the agreement process faced logistical and technical challenges as well as protests and obstructions due to local complaints against the new beneficiary lists (for details, see Chapter 3 and the IRM Thematic Paper on Reconstruction Cash Grants).<sup>57</sup> This caused delays in the signing of agreements as well as the distribution of grants in some areas. Provisions for complaints mechanisms have been developed to address the grievances of those who believed they had been wrongly excluded from the beneficiary lists at the VDC, district, regional, and central levels. Yet, many of those protesting were initially unaware of these mechanisms, which also began operating only after the cash grant agreement process had already started in several areas.<sup>58</sup>

### Complaints and re-verification

Earthquake victims who want to register grievances related to the beneficiary lists and the housing reconstruction cash grant can do so at the VDC or municipality level, District Administration Offices (DAOs) and District Development Committees (DDCs), sub-regional NRA offices, or the NRA in Kathmandu. Grievances must be registered through official forms and supporting documentation must be submitted. Committees to manage and, if possible, address grievances were formed at the VDC/municipality and district levels. If grievances cannot be resolved locally, they are to be passed on to the next higher level.<sup>59</sup>

A total of 205,196 grievances were registered in the 14 most affected districts as of February 2017 (see Table 2.1).<sup>60</sup> Of these, 83,413 grievances were reviewed in 12 districts.<sup>61</sup> Most who complained were found not to be eligible due to owning another habitable house.<sup>62</sup> Many complaints, however, require further field observation to verify missing or mismatching information, and around 21,000 households were not identified in the CBS assessment and need to be assessed in a re-survey.<sup>63</sup>

### Cash grant distribution

The size of the housing reconstruction grant was initially set at NPR 200,000. The original plan was for the grant to be dispersed in three installments of NPR 50,000, 80,000, and 70,000, respectively. However, in late August 2016, Prime Minister Dahal directed the NRA to allocate an additional NPR 100,000 to the housing reconstruction grant taking the total available for fully damaged houses to NPR 300,000.<sup>64</sup> The NRA steering committee approved this policy change in late September 2016, and the new NRA guidelines issued

<sup>54</sup> The involvement of local stakeholders in previous assessments was higher.

<sup>55</sup> The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 3 – Quantitative Survey (September 2016)*. Kathmandu and Bangkok: The Asia Foundation.

<sup>56</sup> NRA, 'Rebuilding Nepal – October 2016–January 2017', [http://www.np.undp.org/content/dam/nepal/docs/generic/UNDP\\_NP\\_newsletter-rebuilding-nepal-2016.pdf](http://www.np.undp.org/content/dam/nepal/docs/generic/UNDP_NP_newsletter-rebuilding-nepal-2016.pdf)

<sup>57</sup> 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.

<sup>58</sup> 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.

<sup>59</sup> The Procedures Relating to Grievances Management with Regard to Reconstruction and Rehabilitation 2073 (2016), available at: <http://nra.gov.np/download/details/132>. Unofficial English translation: [http://hrrpnepal.org/media/102543/grievances-management-guidelines-2073\\_unofficial-translation.pdf](http://hrrpnepal.org/media/102543/grievances-management-guidelines-2073_unofficial-translation.pdf)

<sup>60</sup> [http://www.mofald.gov.np/ne/node/1780?utm\\_source](http://www.mofald.gov.np/ne/node/1780?utm_source)

<sup>61</sup> Eleven target districts plus Lalitpur in the Kathmandu valley.

<sup>62</sup> <https://drive.google.com/file/d/oB8POqqAzoLWFa2ZaeGFyZHNKLVk/view>

<sup>63</sup> On 13 February 2017, the steering committee meeting of the NRA decided to carry out another survey to settle the grievances of quake victims that cannot be resolved through the current mechanisms. <https://thehimalayantimes.com/business/national-reconstruction-authority-resurvey-settle-unresolved-grievances/>

<sup>64</sup> 'Govt Prepares to up housing grant', 6 September 2016, <http://kathmandupost.ekantipur.com/news/2016-09-06/post-quake-reconstruction-govt-prepares-to-up-housing-grant.html>



in December 2016 confirm that earthquake victims will receive a total of NPR 300,000 (if they fulfill all requirements): NPR 50,000 in the first tranche, NPR 150,000 in the second, and an additional NPR 100,000 in the third tranche.<sup>65</sup>

It is important to note that the government and the NRA have defined payment of the housing grant as being the point at which the money is put into bank accounts opened specifically for the purpose in the name of those who had signed agreements. Disbursement of the first tranche of the reconstruction grant, set at NPR 50,000, into beneficiary bank accounts began in May 2016.<sup>66</sup> The deadline to complete distribution in the 11 most affected districts was initially set for mid-September and later 6 October. Both deadlines were missed.<sup>67</sup> The fact that the number of beneficiaries who have actually withdrawn the grant money currently remains undocumented is problematic because many earthquake victims have faced obstacles accessing their bank accounts, ranging from living far from the next bank to being abroad, lacking the required documentation or having one's name misspelled in beneficiary lists or agreements, amongst other factors (see Chapter 3 and the IRM Thematic Paper on Reconstruction Cash Grants).<sup>68</sup> As of March 2017, 532,260 of 626,695 identified beneficiaries had received the first installment of the grant in their beneficiary bank account.<sup>69</sup>

### Retrofitting grants

Although retrofitting grants were a part of reconstruction policy, the terms and criteria were not formalized until recently and there was a lack of support for lesser-impacted homes that could be repaired. These delays and a lack of technical training on retrofitting meant that many households focused on receiving the reconstruction cash grant, which requires them to completely rebuild. Yet the costs of demolishing partially damaged houses and rebuilding are generally much higher than repairing/retrofitting. Following complaints and advocacy from some INGOs and

donors, the terms of the retrofitting cash grant were elaborated and passed by Cabinet. As per the new (December 2016) Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (2073 BS),<sup>70</sup> retrofitting cash grants of NPR 100,000 only apply to houses classified in the CBS damage assessment as being grade 3-minor repairs and grade 2-major repairs houses.<sup>71</sup> Grade 3-minor repairs households will only receive an additional NPR 50,000 if they have already received the first tranche of the housing reconstruction grant. Retrofitting cash grants can also be applied retrospectively if houses have already been retrofitted and then verified by engineers.

### Building codes

The new Procedure has added two new preconditions to receive the third NPR 100,000 installment of the reconstruction grant. NPR 75,000 of the last installment will be granted for the purpose of the construction of the roof-level of the houses while the remaining NPR 25,000 is tied with the construction of a toilet or the installment of an alternative source of energy such as solar energy or a biogas plant within two years of the construction of the houses.

### Technical supervision

In May 2015, the Government of Nepal requested partner organizations to focus on providing technical assistance. In late February 2017, the NRA again requested partners to increase technical assistance to households who were building back in order to help them meet the technical specifications in the building codes and inspection SOP.<sup>72</sup> This request came as internal NRA surveys suggested that up to 50 percent of house being rebuilt were not compliant with the technical guidelines in the inspection SOP. As of 10<sup>th</sup> March 2017, only 24 VDCs out of a total of 618 in the earthquake-affected districts had full technical coverage from NGOs and development partners with 150 receiving no technical assistance.<sup>73</sup>

<sup>65</sup> The Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (2073 BS) <http://nra.gov.np/download/details/187>; 'NRA meeting approves additional housing grant of NPR 100,000', 27 September 2016, <http://www.myrepublica.com/news/6394>

<sup>66</sup> 'Grant Distribution Guideline for Completely Destroyed Private Houses by Earthquakes 2072 (2015)'. [http://hrrpnepal.org/media/105464/grant-distribution-guidelines\\_unofficial-translation-eng\\_160520.pdf](http://hrrpnepal.org/media/105464/grant-distribution-guidelines_unofficial-translation-eng_160520.pdf)

<sup>67</sup> 'Local bodies told to distribute first tranche before Dashain', 22 September 2016, <http://www.myrepublica.com/news/6103>

<sup>68</sup> 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,

<sup>69</sup> Ministry of Federal Affairs and Local Development update, 5 March 2017 <http://www.mofald.gov.np/ne/node/1814?utm>

<sup>70</sup> [http://hrrpnepal.org/media/121155/170108\\_grant\\_disbursement\\_privatehouses-2073-2016-\\_unofficialtranslation.pdf](http://hrrpnepal.org/media/121155/170108_grant_disbursement_privatehouses-2073-2016-_unofficialtranslation.pdf)

<sup>71</sup> Houses classified as grade 1 or as grade 2 (requiring minor repairs) are not eligible for retrofitting or other support. Houses listed as grade 2 (requiring major repairs), however, are eligible for retrofitting support.

<sup>72</sup> 'NRA dials dev partners for more technical support', 24 February 2017, <http://kathmandupost.ekantipur.com/news/2017-02-24/nra-dials-dev-partners-for-more-technical-support.html>

<sup>73</sup> Data provided by HRRP.



Photo: Ishwari Bhattarai

### Access to credit and loans

Alongside the reconstruction cash grants for private houses that were damaged, the government has made provisions for soft loans of up to NPR 300,000 without collateral. There is also provision for subsidized loans of up to NPR 1,500,000 outside the Kathmandu Valley, and up to NPR 2,500,000 inside the Valley with collateral.<sup>74</sup> However, banks have been found to be reluctant to provide soft loans without assurances

from the government for repayment.<sup>75</sup> At the time of the IRM-3 research, few were able to access loans from formal institutions and even fewer knew how to access or had received soft loans. Most were borrowing from informal sources at high interest rates (see Chapter 7.5). This highlights both households' needs for additional cash to rebuild and the real risks of debt traps if loans schemes are not made more easily and widely available alongside the reconstruction cash grant.<sup>76</sup>

<sup>74</sup> [http://hrrpnepal.org/media/105469/161110\\_briefing-pack\\_v3.pdf](http://hrrpnepal.org/media/105469/161110_briefing-pack_v3.pdf)

<sup>75</sup> 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.

<sup>76</sup> See also the IRM-3 survey which provides detailed information on borrowing patterns: The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 3 – Quantitative Survey (September 2016)*. Kathmandu and Bangkok: The Asia Foundation.



## Political developments and policy changes

### National level politics

Political infighting at the central level, the confusing implementation of new structures in the PDRF, changes in government, and changes in reconstruction policy have all continued to cause uncertainty and delay reconstruction in 2016.<sup>77</sup> Disagreements between parties centered on the size of reconstruction cash grant, the number of installments, and the conditions for receiving further installments of the grant as well as the leadership of the NRA. This has caused confusion and uncertainty and was observed to have made the work of local government offices and NRA staff working at the local level more difficult.<sup>78</sup>

In mid-2016, ruling and opposition parties put forward various proposals on the number of installments and amounts of the reconstruction cash grant. In June, Nepali Congress, then the main opposition party, obstructed parliament for a number of days demanding the release of the entire cash grant to eligible earthquake victims in one installment as opposed to the three installments proposed by the NRA. The government eventually gave in to pressure from Nepali Congress, announcing that the grant would be disbursed in two installments instead of three but the credit agreement between donors and the Government of Nepal did not allow for such a change. Additionally, donors objected to changing the modality, in part because it would cause further delays.<sup>79</sup> As a result the government quickly reverted to the three installments model for the distribution of cash grant.

Changes in government also impacted on reconstruction policy. Opposition parties CPN-MC and Nepali Congress introduced a no confidence motion in parliament against the CPN-UML government. Prime Minister K.P. Oli resigned on 24 July 2016 paving the way for Pushpa Kamal Dahal, chairman of CPN-MC, to become the new Prime Minister with the support of Nepali Congress. Following earlier promises, in late

August the then new Prime Minister Dahal announced that the overall reconstruction grant would be raised from NPR 200,000 to NPR 300,000 but this was not confirmed as policy until December 2016 (see below).

On 11 January 2017, the government decided to replace the NRA's CEO, Sushil Gyewali, "for the failure of the NRA to ensure satisfactory reconstruction of damaged private houses" with his predecessor, Govinda Pokharel.<sup>80</sup> The Nepali Congress and CPN-UML coalition government had initially appointed Mr. Pokharel, who is a Nepali Congress leader, as the CEO. Later, the new coalition government of CPN-UML and CPN-MC decided against Mr. Pokharel and appointed Mr. Gyewali who is considered to be close to CPN-UML. Since the government's decision, Mr. Gyewali has moved a case protesting his dismissal in the Supreme Court against the government and the NRA, which has the potential of further inviting uncertainty with regard to the reconstruction process.

Aside from post-earthquake disputes, the attention of political parties and the government has moved away from reconstruction on other divisive issues including a proposed constitutional amendment, local body restructuring, and constitutionally-mandated elections at three different levels.<sup>81</sup> The CPN-MC-led government's decision to remove the NRA CEO is likely to widen the distrust between the current government and the main opposition party, CPN-UML. Further, potential protests related to local elections and local body restructuring may have an impact on recovery by taking the focus away from reconstruction or delaying the delivery of assistance.

### New guidelines

The new Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (2073 BS) was issued on 29 December 2016,

<sup>77</sup> Already in 2015, political differences between then-coalition partners, CPN-UML and Nepali Congress, and the promulgation of the Constitution delayed the establishment of the NRA. See, 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, pp. 9-10.

<sup>78</sup> See Chapter 3 and The Asia Foundation and Democracy Resource Center Nepal (2016). *Nepal Government Distribution of Earthquake Reconstruction Cash Grants for Private Houses, IRM – Thematic Study*. Kathmandu and Bangkok: The Asia Foundation.

<sup>79</sup> 'World Bank objects to change in quake grant modality', 1 July 2016, <http://www.myrepublica.com/news/1217>

<sup>80</sup> Nepal Removes Leader of Post-Quake Rebuilding Effort, 11

January 2017, [https://www.nytimes.com/2017/01/11/world/asia/nepal-removes-leader-of-post-earthquake-rebuilding-effort.html?\\_r=0](https://www.nytimes.com/2017/01/11/world/asia/nepal-removes-leader-of-post-earthquake-rebuilding-effort.html?_r=0).

<sup>81</sup> The Constitution of Nepal promulgated in 2015 has created three tiers of government: local government, state government, and federal government. In March 2016, the Government of Nepal constituted the Commission for Restructuring of Village, Municipalities, and Special, Protected and Autonomous Area, commonly known as the Local Body Restructuring Commission (LBRC). 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](https://drcnepal.files.wordpress.com/2016/09/drcn_local-body-restructuring-in-nepal_-09-08-16.pdf). Also see a follow up note, available at: [http://democracyresource.org/admin/images/Local%20body%20Restructuring%20Statement\\_Nepali.pdf](http://democracyresource.org/admin/images/Local%20body%20Restructuring%20Statement_Nepali.pdf).

replacing the 2015 version of the document. The new procedure has tried to address many concerns relating to access to reconstruction cash grant that were earlier raised by the victims of the earthquake.<sup>82</sup> First, the newly promulgated Procedure has clarified rules and procedures relating to the distribution of the retrofitting cash grant (see above). Second, the new Procedure has addressed the concerns many had with regard to the requirement of a land registration certificate for the purpose of concluding cash grant agreements. Many victims who were living on land that was not registered had previously—at the time of the IRM-3 research—been unable to conclude reconstruction cash grant agreements.<sup>83</sup> The new Procedure makes land registration certificate optional and states that households can conclude cash grant agreements, “if at least two people attest that the concerned household

had possessed the land and the damaged house.”<sup>84</sup> Third, victims of the earthquake who were residing on public land, *guthi* (trust) land, government land, forest land, or on land with additional tenancy rights and other forms of customary land systems are also eligible to conclude reconstruction cash grant agreements and receive the reconstruction cash grant.

The NRA has further clarified that households that have reconstructed their houses without government assistance will be eligible to receive the full cash grant even after the completion of construction if they are listed as eligible beneficiaries in the CBS assessment and meet the building standards. These houses, too, must be approved by MoUD District Level Programme Implementation Unit (DL-PIU) engineers.<sup>85</sup>

<sup>82</sup> The Asia Foundation and Democracy Resource Center Nepal (2016). *Nepal Government Distribution of Earthquake Reconstruction Cash Grants for Private Houses, IRM – Thematic Study*. Kathmandu and Bangkok: The Asia Foundation, p. 18.

<sup>83</sup> *Ibid.*

<sup>84</sup> The Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2016 (2073 BS) Annex 1, section 12 (<http://nra.gov.np/download/details/187>).

<sup>85</sup> <http://nra.gov.np/uploads/docs/HDK64ttaPd160711101741.pdf>



## Chapter 3.

# Aid Delivery and Effectiveness



Photo: Nayan Pokharel

### Types and volumes of aid

- The coverage of both government and non-government aid declined markedly since IRM-2 with far fewer people receiving assistance. Government aid focused almost entirely on the provision of reconstruction cash grants. Following government guidance, I/NGOs largely focused on 'soft' assistance such as technical assistance in the form of trainings.
- Remote VDCs received noticeably less assistance than more accessible areas.

### Satisfaction with aid

- Dissatisfaction with I/NGOs was rising in some areas. Reasons included aid provided not fitting with people's perceived needs. Dissatisfaction was higher in districts where I/NGO presence was greater.
- Dissatisfaction with the government and political parties also increased, largely due to delays in the provision of cash grants, unclear policies, and delays addressing complaints.

### Needs

- Local government offices have not systematically identified and recorded people's needs.
- The reconstruction of houses was the most widely cited need; other identified needs included the reconstruction of community infrastructure, water and sanitation, farm inputs, health care and improvement of school infrastructure.

- The gap between needs and aid provided seems to be increasing.

### Government mechanism and coordination of aid at the local level

- Delays in the establishment of sub-regional NRA offices led to problems. Overlap of duties between different government bodies, and a lack of coordination between them, reduced efficiency.
- The role of District Coordination Committees was generally ceremonial and the body was largely ineffective.
- Coordination between I/NGOs and local government offices is often weak.

### Cash grants for the reconstruction of houses

- Many were dissatisfied with the housing reconstruction program. Reasons included the size of the grant, delays in the program and perceived inadequacies of the CBS damage assessment. In over one-third of VDCs, protests led to the program being disrupted.
- Frustration was particularly high in districts where the CBS assessment had not been conducted at the time of the research.
- Once disputes were resolved, the cash grant agreement process was well managed, coordinated and completed without any major problems. Citizens who signed agreements were generally positive about the program.

- I/NGOs were active in providing support to the program and Ward Citizen Forums played a key role in disseminating information.
- Many people, however, had problems accessing cash, often due to mistakes in recording beneficiaries' details.
- Delays in the program were a factor leading some people to start to rebuild, generally not using earthquake-safe measures.

### **Box 3.1: IRM-1 (June 2015) and IRM-2 (February-March 2016) findings on aid delivery and effectiveness**

***Previous rounds of IRM found that the nature and volumes of aid changed over time.*** 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. When IRM-2 was conducted, almost one year after the earthquake, 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. Volumes of aid from the government declined markedly between IRM-1 and IRM-2. The government declared the formal end of the emergency relief period in June 2015. In IRM-1 needs varied depending on earthquake impact levels and aid received but in IRM-2 the most commonly cited needs were the reconstruction of private houses and local infrastructure, associated cash and credit assistance, the rebuilding of water sources, and geological land assessments.

***Delays in the establishment of the National Reconstruction Authority (NRA) had slowed progress, leaving many people frustrated.*** Reconstruction assistance was not yet distributed in areas visited in early 2016. The lack of clarity on policies and assistance resulted in misinformation, rumors and frustrations among earthquake survivors. By IRM-2, most local government activity was focused on completing steps to prepare for future reconstruction aid by conducting damage assessments and distributing beneficiary ID cards. The damage assessments were particularly contentious. While other assessments had been used to provide emergency relief and small cash grants, the government undertook a new assessment, led by the Central Bureau

of Statistics (CBS), to determine eligibility for future housing grants. Lack of understanding of the criteria for inclusion on beneficiary lists, perceived mistakes in the classification of houses, assessment teams who did not have sufficient technical knowledge, and perceived manipulation by political parties and leaders all led to discontent and sometimes protests.

***The government bodies responsible for overseeing the aid response changed over time.*** 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, although a lack of complaints and redress systems caused problems. By IRM-2, DDRCs had largely become inactive with different districts seeing different combinations of actors fill the gap. There was some confusion and uncertainty about how the DDRCs and RDCs, and other local government bodies, would coordinate with new NRA field offices and line ministries.

***Coordination and information sharing was weak.*** In the early months after the earthquakes, aid was generally targeted through government coordinating mechanisms. This worked fairly well although there were complaints about I/NGOs bypassing these mechanisms and there was limited oversight. In both previous rounds of IRM, communication between various levels of government and between government and non-government actors was weak. This as well as the lack of systemic two-way communication between government offices resulted in limited awareness at the central level about local needs and in confusion regarding reconstruction policies at the local level, including among local government officials.

### 3.1 Types and volumes of aid

#### ***The coverage of aid has declined markedly.***

Far fewer people have received aid since IRM-2 was conducted in February 2016. Aid from the government has focused largely on the housing reconstruction program. But relatively few had actually received cash under this program when fieldwork was conducted in September 2016 (see Chapter 2). Aid from non-governmental organizations also declined in coverage and volume since IRM-2.

#### ***Government aid focused on the provision of reconstruction cash grants to rebuild private houses and some, but limited, livelihood assistance.***

The reconstruction cash grant agreement and distribution processes were ongoing at the time of the IRM-3 research (see Chapter 2 and Chapter 3.5 below). In addition, the government also provided livelihood support, especially in Syangja and Solukhumbu where the cash grant agreement process had not started. Livelihood support included the distribution of seeds, goats and other livestock, and farming tools such as tractors. The Syangja District Livestock Service Center (DLSC) provided cash of NPR 18,000 to 100 earthquake-affected households to buy livestock and NPR 60,000 to five affected households in each VDC to buy a buffalo. The District Agriculture Development Office (DADO) also distributed six tons of corn seeds to affected households across the district. In Solukhumbu, the only official government scheme that was implemented in 29 of the 32 VDCs in the district was the Cattle Shed Improvement Program, under which 1,206 selected earthquake-affected households received cash assistance of NPR 25,000 to build improved cattle sheds. In Baruwa VDC in Sindhupalchowk, the District Livestock Office gave NPR 15,000 to 34 households for buying goats.

#### ***Between IRM-2 and IRM-3 the government continued to distribute winter assistance in areas where there had been delays.***

In February-March 2016 (IRM-2), some VDCs had not yet received the government's winterization support of NPR 10,000 yet. At the time of IRM-2, 64 households in Syaule VDC in Sindhupalchowk, for example, had not received the winter cash grant due to insufficient budget. The budget was released only in August 2016 by the District Disaster Relief Committee (DDRC) for 41 households considered eligible. This money was then distributed equally among the 64 households initially considered eligible in the VDC, amounting to around NPR 6,400 for each household.

#### ***Non-governmental organizations largely focused on 'software' assistance such as trainings and awareness programs. Some provided direct material or cash assistance. But, overall, the volume of relief materials distributed reduced.***

Non-governmental organizations were largely focusing on 'soft' forms of assistance at the local level—as opposed to 'hard' material assistance—such as sanitation and hygiene or livelihood support programs. Some of these programs have continued since before the earthquakes. New types of 'soft' assistance were trainings related to reconstruction, psychosocial counseling, and disaster awareness. It should be noted that the NRA has requested that I/NGOs focus on 'software' assistance. Further, many I/NGOs were still wait for their 'hardware' projects to be approved by the government at the time of research.

Some I/NGOs also helped rebuild infrastructure such as water and irrigation systems, schools, health centers, or roads. I/NGOs were found to be providing sanitation and water systems support by building toilets and water taps or repairing water sources – much needed given that water and sanitation facilities were damaged in many areas during the earthquakes and water shortages have been a common problem since the end of the 2015 monsoon (see Chapters 7.3 and 7.4).<sup>86</sup> In Lisankhu VDC in Sindhupalchowk, for example, Malteser International was building 15 water systems and 300 toilets under its “improved access to sanitation and safe drinking water program.” In VDCs visited, I/NGOs were also providing support for rebuilding schools and for children. REED Nepal, for instance, was supporting the reconstruction of two school buildings, and provided furniture and education materials to seven more schools in Kerung VDC in Solukhumbu. Similarly, CARE Nepal had almost completed building a new water system that would supply every household in five wards of Barpak VDC in Gorkha. UNICEF was supporting children under five years by distributing cash of NPR 4,000 in eight of the 18 VDCs visited.

<sup>86</sup> 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.



Livelihoods assistance was also provided by I/NGOs through income generation schemes and trainings for farmers or hotel and restaurant owners, as well as other occupations such as tailors, small businesses, and handicraft producers. Assistance for farmers included both material assistance in the form of seeds, tools, livestock support, and the building of irrigation canals, as well as trainings for vegetable or livestock farming. Some I/NGOs provided cash assistance to help with livelihood recovery, for example, cash grants for livestock farming.

Overall, however, both livelihoods and infrastructure support was observed to be uneven and limited, with farmers in particular being in need of wider and more sustained assistance (see Chapter 7.4). Indeed, the volume and variety of relief materials distributed decreased compared to IRM-2. There were isolated examples of organizations continuing to distribute hygiene kits, cookery kits, mosquito nets, and small amounts of cash. These were more common in severely hit districts. For instance, UNICEF distributed kitchen utensils and hygiene kits for women and children in Lisankhu VDC in Sindhupalchowk and in all three VDCs visited in Gorkha district. But the coverage of such initiatives was not wide with many areas and people not receiving assistance.

***Non-governmental support for reconstruction at the local level increased compared to IRM 2 but most of this took the form of ‘soft’ support rather than rebuilding.***

Alongside the roll out of the government’s reconstruction cash grant scheme, non-governmental support for reconstruction had increased compared to previous

## Uneven distribution of aid

***Remote VDCs received noticeably less assistance compared to more accessible areas.***

In contrast to findings from IRM1, and to a lesser extent IRM2, remote areas in the districts visited were reported to be receiving less attention from aid providers. This was primarily because of transportation problems due to monsoon rains with air transport being too expensive. For example, remote and inaccessible VDCs like Goli, Bhakanje, and Chaulakharka, in the eastern part of Solukhumbu district bordering Ramechhap and Dolakha districts, were particularly hard hit by the earthquakes. Yet, according to data from the district offices, these VDCs received less relief and aid due to their extreme remoteness.

District officials in Gorkha and Sindhupalchowk were of the opinion that I/NGOs prefer to work in or near the district headquarters leaving remote areas mostly

research rounds. Most of this came in the form of ‘soft’ support in the form of trainings, awareness raising on earthquake safety and earthquake-resilient building techniques, and the building of model structures for these purposes. As noted above, this is likely a reflection of the NRA’s request to I/NGOs to provide ‘software’ assistance and the long approval process for ‘hardware’ projects. In the VDCs visited, there were only a few examples of non-governmental actors and private donors directly building, or planning to build, private houses for earthquake victims in the VDCs visited. In Doramba VDC in Ramechhap, Himalayan Climate Initiative helped to build 41 temporary shelters, distributing iron rods, bolt nuts, hooks and corrugated iron sheets to earthquake-affected single women and elders. In Nele VDC in Solukhumbu, 200 houses were rebuilt with cash assistance from an individual donor, mostly through funds collected from private foreign donors through his trekking agency. However, such direct support was rare.

Many non-governmental agencies were involved in masonry trainings on earthquake-resilient structures. Such trainings were provided in seven out of 18 VDCs visited. For instance, Red Cross Society Nepal trained 30 masons in Prapcha and Baruneswor VDCs in Okhaldhunga while Community Support Reliance Center trained 50 masons in Baruwā VDC in Sindhupalchowk. Similarly, JICA provided masonry trainings to residents of Syaule VDC in Sindhupalchowk and Barpak VDC in Gorkha districts. Such trainings were surely useful. There is often a need for such support to ensure the effectiveness of ‘hardware’ assistance focused on reconstruction. Yet in many cases, the absence of the latter meant that ‘soft’ forms of support were not fully appreciated by communities.

unattended to. Northern VDCs in Gorkha (Chhekampar, Samagau, Prok, Lho, Sirdibas, Chumchet, Bihi, Kerajua) are reportedly getting less attention from I/NGOs because of difficulty in accessing those VDCs during monsoon. District level authorities in both districts said they tried to persuade organizations to focus on remote areas. The Local Development Officer (LDO) of Gorkha said, “It was obvious for Barpak VDC to get more attention as it was the epicenter of the earthquake but the district government has tried to balance it by rechanneling support to other affected areas as well.” Respondents generally agreed that this disparity was mainly due to poor access and not deliberate.

***Non-government organizations were more involved in recovery efforts in Sindhupalchowk and Gorkha districts with lower presence in other districts.***

The number of non-government organizations and activities remained higher in Gorkha and Sindhupalchowk compared to those in other districts, as in previous rounds of research.<sup>87</sup> For instance, 24 INGOs, 19 NGOs, and 7 UN agencies were working on recovery efforts in Sindhupalchowk, while Syangja had no registered I/NGO support. In the VDCs visited in Solukhumbu, Ramechhap, and Okhaldhunga, the number of programs supported by I/NGOs were none to four. Only Himalayan Climate Initiative was found in Doramba VDC in Ramechhap and no non-governmental organizations were found to be present in the other two VDCs visited in the district even though it

is listed in the same damage category (severely hit) as Sindhupalchowk and Gorkha.

Solukhumbu was receiving comparatively more aid than other districts, as already reported in IRM-2, mostly from individual private donors. Thirty-two organizations were registered as conducting earthquake recovery schemes at the District Development Committee (DDC) in Solukhumbu. Yet, researchers only encountered one of these organizations, REED Nepal, in VDCs visited, where REED was rebuilding damaged school buildings.

## 3.2 Satisfaction with aid

### ***Dissatisfaction with I/NGOs was rising in some areas. Reported reasons for this were the alleged disregard of people's needs when designing and implementing programs.***

Dissatisfaction with non-governmental recovery programs was mainly due to the high priority people gave to the reconstruction of private houses. Where I/NGOs worked on reconstruction, it was largely focused on trainings and other soft forms of assistance rather than directly rebuilding or providing cash grants for rebuilding houses. People did not always think such 'soft' assistance was a priority. Both citizens and officials stated that reconstruction of private houses was the most urgent need while assistance in the form of livelihood, capacity building, or psycho-social support was perceived as less urgent. As one civil society representative in Sindhupalchowk said, "I/NGOs are not spending on what is actually needed," citing the example of a psychological counseling program targeting school children worth NPR 20 million.

Dissatisfaction was higher and more strongly expressed in Gorkha and Sindhupalchowk where I/NGO presence was higher. In these districts, government officials, local leaders, and many citizens thought that reconstruction support was needed the most and argued that continuing other forms of support may add to aid dependence. In Syaule and Baruwa VDCs in Sindhupalchowk, citizens expressed dissatisfaction with I/NGO programs. One citizen in Syaule VDC said

that their major need was construction material: "Life does not move ahead with bucket and soap. The time to distribute such materials is over. Organizations should start distributing construction materials if they really want to help the earthquake victims." Likewise, the Social Mobilizer in Baruwa VDC reported that the participation of people in I/NGO orientation programs for earthquake-safe reconstruction was very low due to people's preference for material support rather than training and orientation. In Gorkha, many households displaced in Barpak VDC were living in temporary shelters in scattered locations and were therefore not included in an IOM relief scheme for displaced communities.<sup>88</sup> Relief based on specific procedures and criteria set by I/NGOs for targeting also drew criticism from those excluded. For example, in Tanglichok VDC in Gorkha, the VDC Secretary criticized that there had been, "An NGO cash distribution scheme which included households with alternative source of income such as a government pension while leaving out poor households."

### ***Dissatisfaction with the government and political parties also increased, largely due to delays in the provision of cash grants, unclear policies, and delays in addressing complaints.***

In Syangja and Solukhumbu, where the cash grant agreement process had not yet begun, dissatisfaction was highest. People in these districts were highly dissatisfied with the government. Citizens expressed

<sup>87</sup> People in the VDCs visited for research in Gorkha and Sindhupalchowk reported that active NGOs included TEWA, Solid Nepal, Ekikaran, Swara Saghan Integrated Community Development Centre, Goreto Gorkha, ECO Nepal, CSRC, Mahila Atma Nirvarata Kendra, Social Welfare Association of Nepal, Nepal Red Cross Society, Community Development and Environment

Conservation Forum, among others. INGOs active in these VDCs were Plan international, CARE, Save the Children, IOM, Malteser International, and OXFAM.

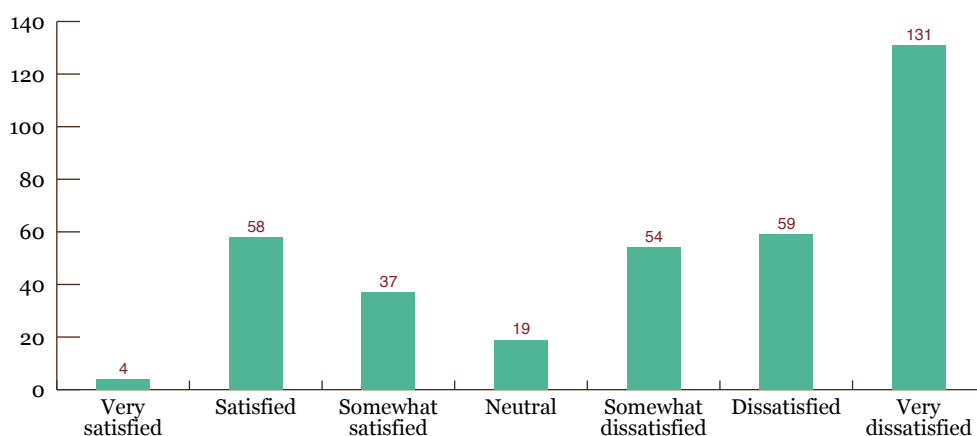
<sup>88</sup> IOM distributed relief materials only to those living in a cluster of 20 or more displaced households.

their frustration over delays in rolling out the reconstruction cash grant program. Since there has been no official information on whether and when they would receive assistance, they were confused. The Chief Executive Officer in Dudhkunda municipality in Solukhumbu said that everyday people asked him questions and shared complaints about the lack of information on cash grants and assistance but that he had no answers. People seem to have understood that the VDC/municipality is not responsible for this delay of cash grant distribution and, therefore, their resentment regarding cash grant distribution was mainly targeted at the central government and central leaders with locals still looking to village and district level officials and political leaders for support. Yet, there were some isolated incidents of threats and violence against local government officials (see Chapter 4) and locals still had a variety of complaints about local government offices (see below).

Even in districts where cash grants were being distributed, people were dissatisfied with the government. This was mainly due to what they considered to be flaws in the CBS assessment, being missed out of the beneficiary lists, delayed cash grant distribution, inadequate cash support, and the delayed or unclear process of addressing grievances. A citizen in Doramba VDC in Ramechhap for example said, “Donors have provided the government with a lot of money but most of it is spent on government staff. People like us are suffering because of the government.”

In IRM-3, a minimum of 10 citizens were interviewed in each of the 36 wards visited. Only four citizens out of the 362 interviewed said that they were very satisfied with the government’s aid while 244 were found to be dissatisfied (Figure 3.1). Citizens in Syangja and Solukhumbu were the most likely to be dissatisfied.

**Figure 3.1:** Levels of satisfaction with government aid



In all areas visited, at least some of the complaints from households who had been excluded from the beneficiary list and filed grievances were considered to be genuine. This caused discontent among many of those who had grievances and delays in addressing these further raised dissatisfaction. At the time of writing few complaints had been resolved and most were passed to the next higher office or the NRA. Most of those who had filed grievances had not heard anything on whether and how their grievances would be resolved. Much progress has since been made in addressing complaints. Yet many still need further verification or re-assessment meaning that those households who were wrongly left out from beneficiary lists have now been waiting many months to receive cash assistance for reconstruction (see Chapter 2).

People were also concerned that the cash grant for reconstruction was not enough for them to rebuild and

said they needed soft loans but were unsure if such loans were available and how to access them.

### ***Dissatisfaction with VDC offices was also high.***

Complaints about VDC offices’ ineffectiveness were common among residents in the VDCs visited. Most often, residents complained about the absence of VDC secretaries. In 12 out of 18 VDCs visited, the Secretary was staying in the district headquarters and only occasionally visiting the VDC for mandatory work such as Village Council meetings, social security cash distribution, or other government schemes including the cash grant agreement process. People often had to travel to the district headquarters for basic services such as obtaining birth, death, or marriage registration. There were also complaints about the accountability of the VDC office and a lack of information.

### 3.3 Needs

***Local government offices did not systematically identify and record needs in communities nor coordinate to facilitate a shared understanding of needs.***

Similar to findings from previous rounds of research, VDCs or districts have not officially recorded and identified local needs that specifically relate to the earthquakes. This means that there is no systematic identification of needs or plan to address needs, nor any shared understanding of needs between different government offices or between government and non-governmental organizations at the local level. Non-government organizations were sometimes conducting needs assessments before launching their programs but local stakeholders said that most non-governmental organizations did not conduct such assessments. Where INGOs have conducted needs assessments, these are often limited to just the sector the program works in or limited to a number of VDCs in the district. Overall, there was little coordination at the local level to facilitate a shared understanding of needs.

***The reconstruction of private houses and related support was the most widely cited need by the citizens.***

Both citizens and officials in the districts visited mentioned that the reconstruction of private houses was the most urgent need. Some other needs mentioned were directly related to reconstruction such as cash grants, soft loans, demolishing of old houses, availability of reconstruction materials such as cement, sand, iron rod, wood, etc. Citizens also mentioned the improvement of road conditions to transport reconstruction materials as necessary.

Some needs mentioned were specific to certain district or VDCs. Citizens from Syangja and Solukhumbu, where the CBS assessment had not yet been conducted, said their priority needs were the CBS assessment and clear information on the timeline and implementation of the government's reconstruction assistance. The availability of construction materials and labor was a big challenge for many local residents trying to rebuild (see Chapter 7.2).

***Reconstruction of community infrastructure, water and sanitation, farm inputs, health and medical care, and improvement of education/school infrastructure were also mentioned as important needs, though less frequently.***

Improvement of basic services, reconstruction of structures other than private houses, and psycho-social

needs were still cited as needs, but seen as comparatively less urgent and cited less frequently compared to IRM-1 and IRM-2. The same was true for geological land assessments (see below). Drinking water and irrigation needs were heavily featured in IRM-2 as the research was conducted in February/March (the dry season) and less frequently mentioned in IRM3 (at the end of a good monsoon season). Citizens and officials in this round of research frequently mentioned the improvement of road conditions as urgent because roads had been destroyed by monsoon rains and people had to travel to access cash grants via banks and transport construction materials.

Unlike the previous round of research, food was not mentioned as a primary need. Katunje VDC in Okhaldhunga was an exception. In this VDC people identified food as one of the main requirements because of insufficient food production in the ward to sustain families.

***The need for geological assessments remains.***

Geological land surveys are still a major need for many people in eight of the 36 wards visited. This has been repeatedly mentioned since IRM-1.<sup>89</sup> Some communities have now returned to land with landslide risks while others whose land was heavily damaged remain displaced. People from Nele (Solukhumbu), Baruwa and Syaule (Sindhupalchowk), Prapcha (Okhaldhunga), Banti Bhandar (Ramechhap), and Barpak (Gorkha), said they urgently need geological assessments of landslide risks. Some people from these VDCs, except those in Solukhumbu, received the cash grant for reconstruction, but they were not sure if they could construct their house on damaged or landslide-prone land. A Dalit woman in Barpak, Gorkha, said, "We requested the top leaders of all parties that a geological survey be conducted so that we can decide whether to build or not to build a house there. If the survey says it is unsafe, the government has to give us new land." In a settlement called Kerabari in Syaule-8 in Sindhupalchowk, JICA had independently conducted a land assessment and confirmed that it is at a high risk of landslides. The people there said they would like to be resettled but the government had not yet provided long-term resettlement solutions for those whose land was unsafe (see also Chapter 7.4 and Case Study 7.3).

***As time passes, the gap between needs and aid provided seems to be increasing.***

<sup>89</sup> The government has since begun to conduct geological risk assessments in many areas. See Chapter 2 for details.



There has thus been a mismatch between the types of needs people say they have and the types of aid that have arrived. While in earlier rounds of IRM, most agencies—government and non-government—focused

on delivering emergency assistance that was needed, over time the gap between stated needs on the ground and types of assistance has enlarged.

### 3.4 Government mechanisms and coordination of aid at the local level

#### ***Delays in the establishment of sub-regional NRA offices led to problems.***

Sub-regional NRA offices were established late and were not fully functional in many locations as of September 2016. In districts such as Okhaldhunga, Sindhupalchowk, and Ramechhap, NRA representatives were appointed only after the completion of the CBS assessment and when the cash grant agreement process had already started. For instance, the cash grant agreement process began in the first week of May 2016 in Sindhupalchowk while the focal person of NRA was appointed after mid-June. District level informants in Ramechhap thought that the late opening of regional NRA offices delayed the distribution of reconstruction cash grants. No NRA representatives had been appointed in Syangja and Solukhumbu districts at the time of research.

Some districts have an NRA sub-regional office that also has to look after neighboring districts. This was also seen to hinder effective disaster recovery at the local level. According to government offices in Okhaldhunga, the NRA representative from the NRA sub-regional office Dolakha sometimes comes to the district in a hurry to discuss issues but goes back immediately. This does not produce fruitful results.

#### ***Overlap of duties between different government bodies, and a lack of coordination between them, also reduced efficiency.***

The majority of local stakeholders argued that the establishment of the NRA had actually hindered the process of reconstruction, which could have been implemented through already established government offices working on recovery and reconstruction. They also highlighted that there was lack of proper coordination between other government offices and the NRA. For instance, the NRA directly selected the Chautara municipality head as the NRA's focal person in Sindhupalchowk. When people were confused about who was responsible for collecting cash grant complaints forms, the District Coordination Committee (DCC) pointed to the municipality office since its executive officer was appointed as the NRA representative. The

municipality's executive officer, however, pointed to the District Development Committee (DDC) since it was handling reconstruction-related activities. One of the VDC secretaries interviewed mentioned that this confusion hampered the cash grant distribution, which was delayed. Similarly, in Gorkha, the grievances filed by earthquake victims in VDC offices were transferred to various offices due to confusion. The Nepal Congress's representative in Gorkha explained that the role of addressing complaints has been transferred from the Chief District Officer (CDO) to the NRA and from the NRA to VDC secretaries. But nobody wanted to take risks in deciding on complaints since this could create tensions. As such, they transferred the responsibility to other offices. The Assistant CDO in Gorkha said, "The NRA is a tiger with no teeth and claws. It has not been able to take any appropriate action against any complaints."

The NRA's new provision ignores established offices previously involved in the disaster response such as District Disaster Relief Committees (DDRCs). Instead, new bodies such as the DCCs were formed. Moreover, there was conflict of jurisdiction over which government office was responsible for what. Questioning the role of NRA, a journalist in Gorkha said, "We don't find NRA's activities very practical. We believe that there was no actual need for the NRA, it is a waste of the state's money. The coordination and monitoring work was being conducted by clusters and the rest of the work was done through DDCs."

District and VDC level political parties were also dissatisfied with the NRA and their lack of representation in NRA platforms (see Chapter 4). New NRA platforms such as sub-regional NRA offices, DCCs and grievance hearing mechanisms do not formally involve local level political parties. Political party leaders in Sindhupalchowk, Ramechhap, Okhaldhunga, and Gorkha have complained that the NRA has ignored district level political parties by creating DCCs where only parliamentarians from the respective districts and government officials are represented. The district level interlocutors in Okhaldhunga assessed the work of sub-regional NRA office as very poor with a lack of coordination.

District and local level authorities and political parties complained that NRA policies changed frequently making it difficult to implement them. They also said it was unrealistic to implement complaints mechanisms according to NRA guidelines and that already existing and relatively well-functioning structures (such as the DDRCs and RDCs) were ignored and replaced with

new bodies with overlapping jurisdiction (such as the DCCs). This was seen to make coordination of the cash grant scheme and the resolution of local level concerns more difficult, especially as the cash grant agreement process faced opposition from locals and political parties in many VDCs across the four districts visited where the process had begun.

### **Case Study 3.1: Confusion over responding to complaints in Okhaldhunga**

In Okhaldhunga, informants said that the NRA's ineffectiveness, and conflicting jurisdictions between different agencies involved in reconstruction, has added to the delays in the reconstruction process.

Government officials and political parties involved in reconstruction work through the DDRC prior to NRA-CBS assessment blamed the NRA for disregarding earlier assessments and complaints. The DDRC had categorized 15,619 households as being fully damaged meaning they would receive NPR 15,000 and NPR 10,000 cash assistance for temporary shelter construction and for winter relief. Some 6,000 complaints against the categorization were received by the DDRC. The CBS categorization increased the list of beneficiaries to 19,818. Yet even after the new assessment, around 5,600 new complaints were filed. The district level

authorities said they were confused whether to address the complaints received by the DDRC or the new complaints received after the CBS categorization. The Chief District Officer of Okhaldhunga said that NRA guidelines were confusing and officials have struggled to address even genuine complaints due to a lack of clarity.

According to Local Development Officer, almost 70 percent of the beneficiary details were wrongly entered in the NRA list. These mistakes were corrected by VDC secretaries along with computer operators who prepared excel sheets with the right details. A NRA sub-divisional representative appointed as a focal person to look into the issues in Okhaldhunga could not continue his work due to dissatisfaction over the NRA's role and with the exclusion of district level political parties in the District Coordination Committee.

### ***The role of District Coordination Committees (DCCs) was generally ceremonial and this body was found to be ineffective.***

DCCs were not functioning well due to the absence of members of parliament directed to lead these bodies from the districts. Further, local political party representatives whose support local government officials tend to need to implement decisions, were not invited to DCC meetings. The head of the NRA sub-regional office in Gorkha acknowledged that the DCC has not been effective since it has been difficult to get everyone to come to the district together and hold meetings.

### ***Coordination between I/NGOs and local government offices is weak.***

Coordination between the organizations involved in recovery and reconstruction and local government

bodies seems to be poor in the districts visited despite some attempts to make coordination smooth. I/NGOs were widely criticized for not coordinating with district stakeholders (government and civil society). This, district officials and members of civil society claimed, is leading to a mismatch between I/NGO support and people's needs. Lack of coordination between NGOs and local government institutions has also reportedly led to problems in some areas (Case Study 3.2).

Syangja has no I/NGOs working for recovery and reconstruction. In the other districts, the officials complained that I/NGOs were bypassing them, operating without formal approval. The Okhaldhunga CDO shared that some I/NGOs are operating in the district without informing or getting permission from the DAO office. In Solukhumbu, also, district officials complained that I/NGOs were bypassing them, operating without formal approval.

In some cases, I/NGOs coordinate with the district level authority and do not bother to contact VDC offices for implementing their program. Some organizations also prefer to coordinate with Ward Citizen Forum coordinator in the VDC instead of contacting the VDC office. A key informant in Barpak VDC, Gorkha, highlighted the lack of coordination between non-government organizations with an example, “The VDC Secretary asked me if I had any idea about the distribution of goats by SwaraSaghan in Snan area,

but I had no idea about it. It was already done but I did not know about it.” Even the VDC Secretary was unaware of the program. The VDC Secretary was asked to provide a letter of completion of the project from the VDC office; only then did he find out about the project. Similarly, UNICEF Nepal is building a pre-fab ward in the hospital in Phaplu of Solukhumbu although the municipality official said that they had no record of their work.

### Case Study 3.2: Contentious targeting by a NGO

One NGO is particularly active in Tanglichowk VDC. Most relief and recovery activities, including the government’s assistance, are being undertaken with the support of this group. The organization has been involved in building toilets. Recently, it has distributed NPR 15,000 to selected households for livelihood support.

Early on, the group faced criticism for not engaging beneficiaries regarding sharing of information. The organization was said to have changed its approach after citizen and political pressure. They have now formed a working committee involving local party leaders, VDC staff, and others.

A staff member of the NGO was the social mobilizer in this VDC. Its assistance reconstructing and repairing toilets in the village was well appreciated and said to have addressed a need of the people.

At the time of the IRM-3 research, however, many VDC residents raised concerns over the organization’s targeting when providing support for toilet construction. It is alleged that the NGO’s blanket coverage of ward 9 of the VDC was done without proper consultation with the VDC. However, its social mobilizer said that the reason they chose ward 9 was because, “almost all household in this ward belongs to Chepang who are socio-economically backward and have no steady source of income.” In contrast, VDC officials said that had the NGO consulted with the VDC before initiating their program they would have been aware of other communities who are also deprived, such as Dalits. Following the dispute, a VDC-level ‘Planning Implementation Sub-committee’ was formed to select households based on their economic status for the distribution of the livelihood support grant.

Attempts have been made to improve coordination among the stakeholders involved in recovery and reconstruction. In Gorkha, for instance, a task force consisted of 10 people, five from NGOs and five from the government, was formed. It developed a draft code of conduct for organizations. However, the draft has not been finalized by the DDRC. In Sindhupalchowk, the DDRC has established an ERN (early recovery network) to coordinate programs, activities, and monitoring of I/NGOs working in the district. Yet this has not solved coordination issues in the district.

I/NGOs often have their own take. According to representatives of non-governmental organizations, they have to go through difficult and lengthy bureaucratic procedures for I/NGOs to seek timely

official approval for their projects. Sometimes, government policies are difficult to follow and I/NGOs try to avoid going through formal mechanisms. One NGO leader in Sindhupalchowk said, “It is difficult to coordinate with government institutions because of the difference in the working style. NGOs have to work under certain time frame and project period which is not compulsory to government agencies.” Another mentioned that it takes long time to receive approvals of programs from NRA headquarters. A civil society representative in Gorkha argued that NGOs and INGOs cannot be put into the same basket. He said, “INGOs have a dominant nature and there is a tendency among some of them to not follow instructions from the government.”

## 3.5 Cash grants for the reconstruction of houses

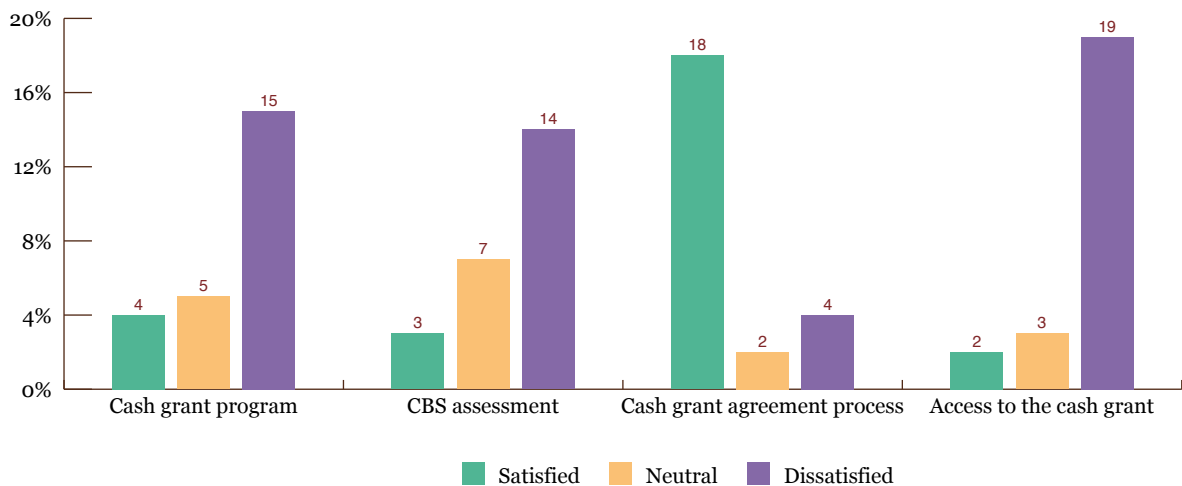
### Views of the cash grant program

**Overall, perceptions of the RHRP housing reconstruction program were not favorable.**

In each of the 24 wards in the six districts where the cash grant program had been launched, researchers sought to determine views towards the program, ranking each ward by whether most people felt the program had been satisfactory or not. They also sought to unpack views towards different stages of the program.<sup>90</sup>

As Figure 3.2 shows, people were more likely to express dissatisfaction with the program than satisfaction. In 15 wards, dissatisfaction was common compared to only four where people were generally satisfied. Dissatisfaction was particularly high about the CBS damage assessment, which determined eligibility, and about access to cash grants once people had signed agreements. In contrast, people viewed the cash grant agreement process more favorably.

**Figure 3.2:** Citizens' perception of the government's cash grant program (number of wards)



### **Citizens' dissatisfaction was primarily over the amount of the cash grant.**

Although generally happy about eventually being able to receive cash assistance, beneficiaries commonly expressed dissatisfaction over the cash grant amount being too little. The majority of citizens interviewed said that the first installment of NPR 50,000 was not even enough for initial preparation for construction such as demolition, clearing the debris, and damp proofing coursing. Respondents in Sindhupalchowk and Gorkha said that NPR 50,000 was barely enough to demolish their old house. Concerns regarding high carriage charge for transporting building materials to remote northern parts of these districts were also raised. Beg Bahadur Gurung, from Barpak VDC in

Gorkha, and Satal Singh Bonjan, of Baruwa, Sindhupalchowk, had similar concerns that “it is impossible to start building with NPR 50,000 as masons’ and carpenters’ charges are 500-800 Rupees per day.” Beg Bahadur Gurung had heard of the government plan to provide interest free loans. He said “he hopes it will be provided soon for people who do not have their own resources to put into reconstruction.” As previously reported in IRM 2 from Okhaldhunga, expensive building materials in remote VDCs of Baruneshwor and Katunje were still a concern.

### **Delays in receiving reconstruction support were also prominent given many people are still in temporary shelters.**

At least 12 out of 36 wards visited had earthquake victims living in temporary (tarpaulins) or transitional (wood, bamboo, CGI sheets) shelters causing frustration over the delayed government response in providing reconstruction support. These households include those displaced and still living on public or

<sup>90</sup> The data is based on researchers’ conversations (individual meetings, citizen interviews and FGDs) with ward citizens, officials, and other stakeholders. As such it is not necessarily an objective reflection on the quality of these processes.

rented land, some of which are prone to landslides in Baruwa VDC of Sindhupalchowk, Barpak VDC in Gorkha, and Prapcha VDC in Okhaldhunga. The exact number of households living in temporary or transitional shelters is difficult to determine from the

ward or VDC sources but the numbers are high. For example, 40 (out of 128 households) in Ward 2 of Barpak, Gorkha, and 121 (out of 128 households) in Ward 8 of Baruwa, Sindhupalchowk, were in such shelters.

## The CBS assessment

***There was widespread dissatisfaction with the CBS assessment in the areas where it was conducted. Frustrations about the assessment process led to the program being disrupted in 9 of 24 wards.***

The main cause for protests, which often lead to obstruction of the cash grant agreement process, was the reduction in the number of beneficiaries compared to earlier lists (used for temporary shelters and winter relief cash grant). Citizens demanded that those who were deemed eligible for earlier government assistance should be included in the CBS beneficiary list. In addition, local perceptions of what makes someone an earthquake victim, exacerbated by a lack of public knowledge of assessment criteria, led to a feeling of injustice among many who were not included in the beneficiary list.

Most of the above mentioned protests were peaceful in the form of local residents sending delegations to the Chief District Officer (CDO) and/or Local Development Officer (LDO). Local residents, especially those who were not included in the CBS beneficiary list, with the help of political parties and even enlisted beneficiaries, obstructed the work of the cash grant agreement team led by the VDC secretary in Katunje VDC, Okhaldhunga, and Baruwa, Sindhupalchowk. The cash grant agreement process only resumed after two months in Katunje and after three months in Baruwa following assurances from district level officials (the CDO and LDO) that “the government has created a grievance mechanism and genuine complaints will be given due attention.”

Locals in Katunje protested against the exclusion of previously enlisted beneficiaries in the new CBS beneficiary list. The VDC Secretary in Katunje told observers that local residents showed up with sticks/batons and made threats, demanding that the process be stopped. In Baruwa in Sindhupalchowk, those who were not included in the beneficiary list because they allegedly owned houses in Kathmandu and other places, making them ineligible for the house reconstruction grant according to NRA guidelines, demanded that the government sign cash grant agreements with them on the second day of agreement process. The protest was allegedly supported by Nepali Congress (NC) although local NC representatives maintained that this was not an official party decision. However,

the NC representative shared the widespread perception that the Social Mobilizer of Baruwa is biased in favor of CPN-UML.

Other disturbances were observed in Doramba VDC, Ramechhap district, where the cash grant agreement process was obstructed for 22 days as locals with apparent cross-party support demanded the inclusion of households deemed eligible in earlier assessments but who were not included in the CBS beneficiary list. In Dhuwakot, Gorkha, and Ramechhap municipality, Ramechhap, the cash grant agreement process was halted but resumed after a few hours as citizens and political party representatives were convinced by Local Development Officer and other government officials that grievances would be collected in tandem with the cash grant agreement process.

***Frustration, discontent and confusion was high among citizens and officials in districts where the CBS assessment was not conducted and hence where reconstruction was particularly slow.***

Citizens and officials in Solukhumbu and Syangja criticized and expressed frustration over the government’s decision to exclude these districts from first round of the CBS assessment delaying the cash grant agreement process. District officials complained that Solukhumbu had been wrongly categorized as ‘hit with heavy losses’ instead of ‘crisis hit’ due to lobbying by the tourism industry. Moreover, the categorization of impact by district was considered inadequate as seven VDCs in Solukhumbu registered damages as high as VDCs in severely hit districts.

Officials in both in Syangja and Solukhumbu expressed frustration over the government’s inability to inform them if and when cash grants will be provided to earthquake-affected households in these districts. As a result, reconstruction activities in VDCs visited in Solukhumbu and Syangja, with the exception of Nele in Solukhumbu where private donors are active, is very low. Unlike during the research for IRM-1 and IRM-2, researchers did not observe any temporary shelters in VDCs and wards visited in Solukhumbu. Citizens in Solukhumbu reported doing minor repairs to their house before moving back in rather than rebuilding. In Syangja, only nine out of over 350 fully and partially damaged houses in Arukharka VDC had been rebuilt.



## Cash grant agreement process

***Once disputes were resolved, the cash grant agreement process in all 12 VDCs where it was conducted was well managed, coordinated, and completed without any major problems.***

A majority of citizens spoke positively of the cash grant agreement process, including those not listed as beneficiaries. Cash grants agreements were conducted at the VDC office in the VDC center and covered wards one by one. The process took on average five to ten days in wards, depending on wards' size and population. The cash grant agreement process was led by the VDC Secretary in all of the VDCs with the involvement of local party representatives, WCF coordinators, Social Mobilizers, and other facilitators.

There were some amendments to the NRA's guidelines for the cash grant agreement process after problems arose in the field. For example, beneficiaries had to be present in person at VDC offices for enrollment according to the previous guidelines. However, this was later amended since many people on the beneficiary list were out of the country and a new provision was introduced so that people on the beneficiary list could give power of attorney to their relatives to undertake the agreement on behalf of them.

***Those eligible to sign cash grant agreements following the CBS assessment were generally positive about the overall cash grant program, which they said was insufficient yet nonetheless important support.***

Ward citizens and stakeholders in the districts where cash grant agreements were being signed following the CBS assessment spoke positively of the cash grant program. Citizens who were able to sign cash grant agreements were happy about finally being guaranteed government assistance. A citizen in Bamtibhandar VDC in Ramechhap district said, "it is better to have something than nothing." Also in Ramechhap district, citizens participating in a FGD conducted in Doramba VDC said they, "appreciate the government's initiative of providing cash for temporary shelter, winter relief, and house reconstruction."

***Information about the location and time and necessary documents required for the cash grant agreement process were mainly disseminated by WCF Coordinators.***

WCF Coordinators were informed by the VDC office about the date, time, location and required documents that citizens had to bring. They passed this information on to the people in their wards.. Citizens and officials in Syaule VDC, Sindhupalchowk, and Dhuwakot and Tanglichok VDCs in Gorkha district unanimously said that all VDC-level decisions, including earthquake-

related information, are disseminated through Ward Citizen Forums.

Dissemination of information through the WCF Coordinators was regarded as problematic in Katunje VDC in Okhaldhunga and Ramechhap municipality, Ramechhap. In Katunje 4, citizens complained of WCF activities being inadequate to ensure that information was provided in a timely manner. However, the WCF Coordinator claimed that citizens were regularly invited to the WCF meetings and informed of VDC decisions. In Ramechhap municipality, WCF coordinators and party representatives voiced concern that citizen voices were not represented at the municipality level. "WCF coordinators are not invited to municipality meetings", said a CPN-UML ward representative. In any case, WCF Coordinators' role was limited to disseminating information and facilitating the agreement process as volunteers. WCF coordinators were rarely asked to identify and communicate ward level needs to the VDC and district level.

***I/NGO involvement in the cash grant agreement process was substantial in all of the VDCs visited (except Tanglichowk, Gorkha).***

Several national and international non-governmental organizations reportedly provided assistance during cash grant agreement process. I/NGO assistance were mainly crucial in documentation, logistical support (scan, photocopies, taking photos), and the filing of grievances. Organizations like MEDEP Nepal and CSRC in Ramechhap, Care and HERD Nepal in Gorkha, and UNOPS in most places provided volunteers, stationary, and equipment to provide services. A WCF Coordinator appreciated the support saying they, "would have had to go to Chautara (the district headquarters) to photocopy documents and photographs taken if they were not managed in the VDC." Some organizations (UNOPS, JICA) also provided technical assistance/information along with engineers in places where DUDBC engineers were not yet available.

***In Ramechhap and Gorkha districts, engineers were present during the cash grant agreement process to brief citizens about building codes and government criteria for house reconstruction.***

Political party representatives and WCF Coordinators in Bamti and Doramba VDC confirmed the district level report that engineers were present during the cash grant agreement process to brief citizens on the 17 prescribed models of earthquake-resistant housing. The WCF Coordinator of Bamti 1 said, "During the agreement process, engineers briefed us about 17 different models of houses. Engineers demonstrated

the 17 models and asked us to construct houses accordingly. In addition to that, they also provided some helpful ‘practical aspects’ (cost savings).”

## Access to cash grant and rebuilding

***While the agreement process went relatively smoothly, after initial problems were addressed, people were less satisfied with accessing cash.***

At the time of the research, the first installment of the cash grant had been distributed into beneficiaries’ bank accounts in only six out of the 24 wards where the CBS assessment had been conducted. Citizens complained that delays in the distribution of the cash grant led to uncertainty on whether to start building houses. As discussed in Chapter 2, there has been much progress since then in disbursing the first installment into bank accounts. However, people also said they had problems accessing the money, even when it was in their account.

This was particularly problematic for people who were out of the country. A District Development Committee (DDC) staff member from Ramechhap said that although they had asked the NRA to ease the access of earthquake victims who were unable to visit banks in person to withdraw the reconstruction grant, the Dolakha sub-regional NRA office had not yet replied. In Okhaldhunga, a bank manager expressed that NRA instructions and guidelines were not clear sometimes. When the branch managers in the district collectively proposed to ease the process of distribution to earthquake victims, and to distribute cash to the victims in the village, the NRA was not as cooperative as they claimed.

***Mistakes while entering beneficiary details in cash grant agreement led to problems in opening bank accounts and accessing the first installment.***

Twenty-three out of 286 beneficiaries could not open bank accounts in Ramechhap 2 due to mistakes in their names in the cash grant agreements they signed. Beneficiaries who had reserved a bus from their ward, and had to pay NPR 180 each to get to the municipality center, were later told by the bank that their identification details did not match with those provided by the DDC. Similar problems were reported by citizens of Barpak 2, Gorkha, who were not able to withdraw the first installment due to mistakes in their citizenship number, household numbers, and names.

***Citizens raised concern over the timing of the cash grant distribution in Gorkha.***

Timing for the distribution of first installment of the cash grant was thought to have been inappropriate in Barpak, Gorkha, as cash grants were distributed during the monsoon and right before *dashain/tihar* festivals. One citizen in a Dalit community displaced due to landslide risks said he did not withdraw the money despite having been able to open a bank account. He said he did not want to build a house before a land assessment was conducted and feared that the money would be spent on ‘festivities’. In Barpak 2, some citizens mentioned that they had not yet withdrawn the money because of the monsoon. They said they would not be able to build a house as it was not possible to transport construction materials in the monsoon.

***Delays in distributing cash after the cash grant agreements were signed also meant that the deployment of engineers was not effective.***

Engineers were deployed in the VDCs during the agreement process. They remained but had little to do because people had not yet received their first installment and had not started rebuilding. The engineers were therefore left without work. A school headmaster in Dhuwakot VDC in Gorkha said, “The engineers’ deployment timing was bad. They were deployed in June and that was not the right time for building a house. The state has wasted its money in recruitment but the staff couldn’t do well. The houses are undergoing reconstruction these days but there’s no engineer. They were supposed to stay in their office here but they are not.”

***Delays in the program meant that some people started to rebuild but usually they did not use earthquake-safe measures.***

Although exact figures could not be determined, observers reported that some had constructed private houses in all of the districts visited. However, only residents of Nele VDC, Solukhumbu, and Baruneshwor VDC, Okhaldhunga, said they had followed earthquake safe construction procedures.

## Chapter 4.

# Politics and Leadership



Photo: Alok Pokharel

### Roles and activities of political parties

- The formal role of political parties in recovery efforts reduced with the beginning of the reconstruction phase, increasing dissatisfaction among political leaders. The formation of District Coordination Committees (DCCs) in May-June 2016 in earthquake-impacted districts did not clarify or increase the role of political parties in the reconstruction process at the local level. However, their informal involvement in the recovery process continued.
- Political dynamics and activities at the local level have remained largely unchanged since before the earthquakes. As during IRM-2, local decision-making was shaped by preexisting local dynamics and, in the absence of local elections, government officials continued to consult with and rely on political parties for decisions on local governance.
- Political parties were conducting few programs specifically related to the earthquakes at the local level, nor did they make comprehensive efforts to mobilize victims to gain their support.
- Only isolated incidents of politicization of aid and of political party interference in reconstruction efforts were reported but political parties were involved in obstructions of the cash grant agreement process.

### Political party involvement in the cash grant agreement process

- Political parties were involved in obstructions of the cash grant agreement process to raise the

concerns and demands of those excluded from the beneficiary lists and were instrumental in negotiating the resumption of the process by seeking assurances from government officials that grievances would be addressed.

- Political parties were also informally assisting in the cash grant agreement process. They played crucial roles in facilitating communication between government offices and local communities and assisting individual earthquake victims during the signing of cash grant agreements and the distribution of the first installment of cash.

### Emergence of new leadership

- The technical and bureaucratic approach of the reconstruction process in general, and the cash grant agreement process in particular, left little room for the emergence of new leadership.

### Support for political parties and local leaders

- Dissatisfaction with political parties in general was high amongst citizens, mainly due to their lack of formal involvement in earthquake related activities rather than any real or perceived politicization of relief or recovery work. But communities were more satisfied with local leaders and continued to look to them for assistance and information.



### Box 4.1: IRM-1 (June 2015) and IRM-2 (February-March 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.***

The second round of research found that Ward Citizen Forum (WCF) coordinators, local philanthropists, and teachers, who had already been active during the early relief phase, were gradually becoming more aware of their own leadership roles, but this did not challenge existing leadership and political dynamics.

***Preexisting local governance and political dynamics affected local decision-making processes after the earthquakes, with government officials, especially VDC Secretaries, continuing to consult political parties on local governance issues and relying on them to conduct their work.***

Local communities continued to turn to their leaders for information and assistance. This influence of political parties resulted only in isolated incidents of conflict between parties or of politicization of relief. However, political parties' involvement in the first two rounds of damage assessments became

controversial, as community members believed that political parties were asserting pressure on the process and influence assessments.

***Political parties had largely returned to their normal activities by early 2016. Few local leaders conducted activities specifically related to the earthquake.***

Political party differences over reconstruction were rarely seen at the local level despite prominent disagreements at the national level. 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 collectively take decisions and address conflicts related to relief distribution – through meetings which functioned in a similar way to the All Party Mechanism. In IRM-2, however, the involvement of political parties in relief and recovery activities had declined, largely due to the fact that local mechanisms exerted less influence over decisions related to recovery after the end of the relief phase.

## 4.1 Roles and activities of political parties

### Formal role of political parties in reconstruction

***The formal engagement of political parties in recovery efforts reduced with the beginning of the reconstruction phase. There is no clear definition of their roles and responsibilities. However, their informal roles in recovery processes continue.***

The role of political parties and their representatives in local decision-making was somewhat formalized in the early months after the earthquakes when political parties were engaged in relief distribution through the District Disaster Relief Committees (DDRCs) and Relief Distribution Committees (RDCs) with political parties playing key roles in both. As these bodies became less influential in coordinating earthquake-related activities with the decline in emergency relief, the formal influence of political parties over the

coordination of assistance also reduced significantly – a trend that could already be observed in early 2016.<sup>91</sup> Since then, the engagement of political parties has declined further with the increased focus on reconstruction.

The NRA's technical and bureaucratic approach to reconstruction did not allow for a formal role for political parties in the Central Bureau of Statistics (CBS) damage assessment, cash grant agreement

<sup>91</sup> See Chapter 3 for more information on the reduced roles of RDCs and DDRCs. See also, 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



and distribution processes, and various mechanisms established to collect complaints about the assessment and beneficiary lists. New policies and guidelines, issued after the establishment of the NRA, either do not outline or outright prohibit political party involvement in reconstruction at the local level. The government issued four procedures, rules, and guidelines on the reconstruction of structures and private houses damaged by the earthquakes, none of which describe official roles for political parties and their representatives.<sup>92</sup> As a result, local leaders and political party affiliates were not formally involved in the identification of beneficiaries, the conclusion of cash grant agreements, or in complaints handling and management mechanisms. This was found to have significantly reduced overall political party engagement in earthquake-related activities compared to IRM-1 and IRM-2. Informally or individually, however, local political party representatives were involved in the cash grant process and other recovery efforts, for example by sharing information, assisting individual earthquake victims with procedures, and coordinating with local government offices (see Chapter 4.2).

***The formation of District Coordination Committees (DCCs) in earthquake-impacted districts did not clarify or increase the role of political parties in the reconstruction process at the local level.***

The formation of DCCs to coordinate and monitor reconstruction in earthquake-affected districts, under the leadership of a Member of Parliament (MP) from the same district, did not lead to the more direct involvement of political party leaders and members in the reconstruction process.<sup>93</sup> On the contrary, the formal role of political parties in the local level reconstruction process was limited by the formation of DCCs. This was largely due to the fact that DCCs were found to be either dysfunctional or ceremonial in the districts visited, with most of the DCCs' work being done by subcommittees led by district government officials such as the Chief District Officer (CDO) or Local Development Officer (LDO) (see Chapter 3).<sup>94</sup>

As such, DCCs in general have had little influence over reconstruction and the coordination of aid and the cash grant process at the district level and Members of Parliament had little impact on the functioning of the DCCs. District-level political representatives raised the issue that MPs, who are generally based in Kathmandu, have not been able to regularly attend DCC meetings nor have they remained informed on the specific needs and challenges of reconstruction in their districts. A high level CPN-UML representative in Gorkha, for example, said: "From a political point of view, it makes sense to ensure MPs' representation in every aspect of the reconstruction process. However, the tight schedule of MPs, and their limited efforts to engage in the reconstruction process, has meant that although there is a lot of room for political representation there have been limited results."

District-level leaders across districts visited reported that they were not invited to DCC meetings or the meetings of subcommittees—in contrast to DDRCC meetings in which they are included regularly—nor to meetings of the sub-regional NRA offices. Many district and local political party leaders, who had been engaged in the relief process and represented in DDRCCs and RDCs, now did not have any formal representation in DCCs or formal role in the district-level reconstruction process in general. Leaders commonly complained about this in districts where DCCs had been formed: Ramechhap, Gorkha, Okhaldhunga, and Sindhupalchowk. Overall, there was a growing feeling among district and local political party representatives that the DCC itself was preventing the effective engagement of political parties in the recovery and reconstruction process due to the limited influence of MPs and the exclusion of local political party leaders, coupled with the limited ability in practice of DCCs to coordinate reconstruction work in the districts.

***NRA guidelines on the mobilization of volunteers from non-governmental organizations and political parties to coordinate recovery efforts did not translate into greater engagement of political parties.***

<sup>92</sup> 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/KSddafXZp161111065308.pdf>).

<sup>93</sup> 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, p. 32.

<sup>94</sup> The DCCs did not meet regularly as MPs from the districts were primarily based in Kathmandu. In the absence of MPs, subcommittees led by district officials who are permanently stationed in the districts took over the work of the DCC.

The NRA's Volunteer Mobilization Guidelines provide that organizations and political parties can register volunteers who are permanent residents of the VDC/municipality at the VDC/municipality office to assist the cash grant agreement process, filing of complaints, and the construction of temporary shelters.<sup>95</sup> However, researchers did not find evidence that political parties had registered their cadres as volunteers in the VDCs. Where NGO volunteers and political party representatives assisted community members with the conclusion of cash grant agreements, their efforts did not seem to be conducted as formally registered volunteers as per said guidelines.

***Local political leaders' dissatisfaction rose as they were increasingly sidelined from the reconstruction process at the local level, reducing their capacity to assist earthquake victims.***

Across districts and VDCs visited, local political party leaders expressed dissatisfaction about their reduced formal roles in decision-making and the coordination of recovery efforts. In the more severely hit districts where the DCC was formed, the CBS assessment had been completed, and the cash grant agreement process had started, discontent was particularly high. In Gorkha, Ramechhap, Sindhupalchowk, and Okhaldhunga, leaders were quick to highlight their dissatisfaction with the CBS assessment and the identification of beneficiaries as well as with the cash grant agreement, distribution, and complaints processes. While this does highlight leaders' unhappiness over being sidelined, it also reflects generally high levels of dissatisfaction with these processes in earthquake-af-

ected districts and the many concerns local residents have brought to their leaders (see Chapter 3). Further, leaders' discontent relates to their own difficulties in trying to address local concerns and assist earthquake victims.

Many local party representatives who were eager to help locals in their recovery were frustrated by national-level political disagreements and changes in reconstruction policies, which delayed reconstruction and caused uncertainty at the local level (see Chapter 2). Their exclusion from district-level decision-making only increased their frustrations and as it reduced their ability to address the concerns of earthquake victims. Several local leaders complained that they were given little information on the government's reconstruction efforts, meaning they were unable to inform their communities adequately when approached with questions. This was particularly so in Syangja and Solukhumbu, where leaders reported feeling 'awkward' because they could not give clear answers to locals who wanted to know what types of assistance they could expect and when the cash grant agreement process would begin. Local political party representatives in the other districts considered the newly formed local NRA offices and DCCs less suited to understanding local contexts and political dynamics than the DDRCs. They also felt that these new bodies could not adequately represent the concerns of community members as they were led by 'outsiders' such as government officials temporarily stationed in the districts or by MPs based in Kathmandu. Perhaps not surprisingly then, political party representatives in these more severely hit districts would like to see more responsibility returned to the DDRCs.

## **Political party activities and local political dynamics**

***Across the districts visited during the field research, there was a sense of pre-earthquake normalcy to political party activities.***

Political parties were generally focusing on 'politics as usual' rather than earthquake-related work. This normalization of political party activities was already reported in IRM-2.<sup>96</sup> In Solukhumbu and Syangja,

where the reconstruction process had not yet begun, political parties fully resumed their normal activities, such as internal meetings, membership distribution, or discussions on local governance issues, and were not found to have carried out any earthquake-specific programs. In other districts, too, political parties did not have comprehensive plans to assist recovery and conducted few reconstruction-related

<sup>95</sup> The Guidelines on Volunteer Mobilization During the Reconstruction of Private Houses Damaged by the Earthquake and Cash Grant Distribution Process 2016 (available at: <http://nra.gov.np/uploads/docs/rewtqME99y16o816o7o931.pdf>). The IRM-2 report predicted that these guidelines may allow for the increased involvement of political party cadres in reconstruction, but this was not found to be the case in IRM-3. 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, p. 32.

<sup>96</sup> 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, pp. 31-34.

activities (see below). Notably, in all districts, parties were engaged in debates and discussions on the formation of local bodies in their respective areas. In VDCs in Okhaldhunga, for example, political parties were focused more on lobbying for certain areas to be included in the new administrative unit than on earthquake- or reconstruction-related issues according to the former VDC Chairman of Prapcha VDC. In Barpak VDC in Gorkha, too, local leaders were found to be participating in intense debates on, and political gatherings related to, local body restructuring.

***At the VDC level, dynamics between political parties and government officials have remained largely unchanged with officials continuing to consult political party representative for decisions on local governance.***

The roles and importance of political parties in local governance have remained largely unchanged. National-level political disagreements and changes in, or uncertainties over, reconstruction policies have not significantly altered local political dynamics and relations between local political party leaders. Similarly, ongoing discussions on local bodies restructuring have not significantly altered political dynamics at the local level. Political parties continued to enjoy *de facto* leadership status in the VDCs.<sup>97</sup> Apart from the decline in their role in the recovery and reconstruction process, political party representatives continue to exert the same influence as they have traditionally enjoyed in local governance at both the district and VDC levels.<sup>98</sup> Local government officials, including VDC Secretaries, continued to actively seek the consent of political party representatives before making decisions in the absence of locally elected leaders.

There was no evidence to suggest a significant change in political dynamics at the local level even after political infighting and the change of government at the

center in mid-2016 (see Chapter 2). In the districts and VDCs visited, relations between political parties were reported to have remained similar to pre-earthquake times, with leaders from different parties both cooperating and policing each other through their involvement in informal All Party Mechanisms (APMs).<sup>99</sup> In most VDCs visited, no single political party was seen to dominate affairs, with major parties collectively exerting influence over local governance. In one VDC in Okhaldhunga, and three VDCs in Solukhumbu, one political party was found to be dominant but other political parties did not directly challenge this dominance and seemed resigned to the fact that the traditionally dominant party would yield more influence in the community. There were no indications, however, that dominant political parties exerted disproportionate influence over the reconstruction process. Perhaps due to the absence of formal, elected local governments, the dominance of a political party at the VDC or ward level has had limited impact on local governance or the reconstruction process as VDC officials have regularly consulted all major political parties.

Relations between VDC officials and political parties were generally cooperative. VDC secretaries continued to carry out their responsibilities with the support and cooperation of political party representatives – with the exception of Dhuwakot VDC in Gorkha district, where there have been tensions between political party representatives and the VDC Secretary, eventually leading to the transfer of the Secretary (see Case Study 4.1). Given the heavy workload of VDC secretaries in the absence of elected local governments, their lack of familiarity with local contexts in many cases, and the fact that they often reside outside their assigned VDCs, Secretaries generally had no choice other than to rely on local leaders to carry out their responsibilities<sup>100</sup> In IRM-2, it was reported that in 14 out of 18 VDCs and municipalities visited by researchers, the VDC Secretary did not live in the VDC. In IRM-3, the number was 12 out of 18 Secretaries.

<sup>97</sup> 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, pp. 34-36.

<sup>98</sup> Local elections have not been held in Nepal since 1997. As a result, local political representatives have not been formally represented in the districts, VDCs, and wards. However, political parties continue to influence the local governance process in an informal capacity and VDC officials also seek political consensus in local decision-making. Before the earthquake, political parties would normally focus on their internal activities and work with VDC secretaries on issues concerning local governance. See also, 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, pp. 31-38.

<sup>99</sup> In 2007, after the end of the Maoist insurgency, the All Party Mechanism was 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 a recommendation from the Commission on the Investigation of the Abuse of Authority (CIAA), APMs were dissolved in January 2012.

<sup>100</sup> 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, pp. 32-36.

### Case Study 4.1: A local government official struggling to work without the support of local residents and political party representatives

Political dynamics and local dissatisfaction has affected the work of a local government officer in a VDC in Gorkha. The tense relationship between the VDC Secretary and local citizens and other political parties eventually resulted in the transfer of the Secretary. People in the VDC were dissatisfied with the Secretary due to her residing in the district headquarters instead of the VDC. They also accused her of charging extra money to process documents at the office. Political party representatives, on the other hand, accused her of being close to one party and not sufficiently including parties in meetings and decision-making.

Relations between the VDC Secretary and residents worsened when local party representatives from CPN-UML and CPN-MC proposed to invite Hitraj Pandey, a CPN(MC) Member of Parliament (now MoFALD Minister) to a council meeting, which was refused by the VDC Secretary who wanted to avoid political interference in the VDC council. Political parties and people in the VDC felt that earthquake victims had been tricked and deceived by the CBS assessment and it was high time that their complaints and grievances were heard and addressed. It was for this reason that they felt that the inclusion of a MP in the council meeting

would help pressure district government officers to address their concerns.

This incident caused debates and tensions in the VDC, especially among political parties. Party leaders from CPN-UML and CPN(MC) submitted a letter requesting the concerned district office to transfer the Secretary. The VDC Secretary admitted that since the council meeting her adverse relations with parties in the VDC affected her work but said that she herself had asked for the transfer. According to her, “When a leader from a particular party comes as chief guest, other parties feel uncomfortable. This is why I was against the proposal. But they did not like me for it and there was no harmony as before. And I asked for a transfer.”

This incident reveals that local government officials face difficulties in carrying out their work without the support of local political parties who try to influence local governance and decision-making processes. While local residents generally seemed to support the transfer of the Secretary, this may not necessarily have been in their best interests given the heavy workload of VDC offices during the cash grant distribution process and the collection of complaints.

***Political parties were conducting few programs specifically related to the earthquakes at the local level, nor did they make comprehensive efforts to mobilize victims to gain their support.***

There were no comprehensive efforts by political parties in the districts visited to form platforms to address issues related to recovery and reconstruction nor did they plan broader programs related to the earthquakes. In early 2016, at the time of IRM-2, it seemed that political party involvement might increase once reconstruction fully began.<sup>101</sup> However, given the absence of formal roles for political parties during reconstruction at the local level, and their preoccupation with regular activities, political parties did not take ownership of the reconstruction process and conducted few earthquake-related activities of their own. As described above, local political leaders were frustrated about the limited roles for

political parties. Local leaders’ informal assistance to victims (see Chapter 4.2) and their motivation to be more involved, however, reveal some potential for increasing political party mobilization of and efforts on behalf of earthquake victims in the future, in particular those excluded from the beneficiary lists.

In Solukhumbu and Syangja, political parties showed particularly little initiative to engage in the recovery or reconstruction process as the cash grant agreement process had not yet begun in these districts, nor had

<sup>101</sup> While in early 2016 too, political parties conducted few programs related to the earthquakes, it appeared that they might get more involved during reconstruction. See, The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February-March 2016)*. Kathmandu and Bangkok: The Asia Foundation, p.32.



the CBS assessment been conducted to identify beneficiaries. In Syangja, however, CPN-MC and Nepali Congress (NC) submitted two separate communiqués in July 2016 to the Chief District Officer (CDO) demanding that the cash grant agreement process begin. The communiqués were intended to highlight the lack of reconstruction activities in the district and were seen as an effort by political parties to act on behalf of earthquake victims in the district. Yet, these communiqués could also have been the result of the then ongoing central level political disagreement between CPN-UML, then the ruling party, and the CPN-MC and Nepali Congress (NC), who introduced a vote of no confidence motion against the government (see Chapter 2).

***Informally, local political party leaders were involved in recovery activities and some were providing aid individually.***

Individually, some political party leaders were involved in the reconstruction process. A local entrepreneur in Solukhumbu, who is also affiliated to NC, was building houses in a VDC in the district

for people who lost their houses in the earthquakes. However, there was no evidence to suggest that his actions were motivated by political objectives or were part of NC's official programs in the district. The entrepreneur himself downplayed the political significance of his work. Similarly, Sher Bahadur Tamang, a CPN-UML Member of Parliament from Sindhupalchowk district, provided funds to rebuild a school through the Constituency Development Fund available to each MP.

Local level leaders were also found to be informally involved in recovery activities, mainly by sharing information and assisting locals during the cash grant agreement and distribution processes. However, district and national level political leaders did not engage themselves in the reconstruction process as much as local, VDC-level political representatives. The role of district level political representatives was largely limited to negotiating the resumption of the cash grant agreement process after the process was obstructed by local residents with support from their leaders in the VDCs (see Chapter 4.2).

## Political party interference

***Only isolated incidents of politicization of aid and of political party interference in reconstruction efforts were reported – with the exception of political party involvement in obstructions of the cash grant agreement process.***

Political party interference in post-earthquake relief and recovery efforts has decreased since the end of the relief phase when direct aid distribution declined significantly. In IRM-1 and IRM-2, frequent complaints about political parties influencing the outcome of damage assessments were reported.<sup>102</sup> Political parties, being directly involved in official as well as unofficial local relief distribution mechanisms, were also occasionally accused of politicizing relief distribution. For example, it was reported that political parties were accused of distributing relief materials to their cadres, or were able to divert relief materials to areas where their support base was. Between IRM-

2 and IRM-3, however, political party influence over post-earthquake aid and recovery efforts decreased as political parties were increasingly sidelined from local decision-making on aid distribution and reconstruction (see above). Due to political parties' lack of involvement in the CBS assessment, complaints and accusations related to political interference in the beneficiary lists also decreased. Undue interference likely also reduced given political parties' preoccupation with other matters after their return to 'politics as usual' when the emergency phase came to an end. While the diminished role and influence of political parties in reconstruction may be positive, this was not necessarily welcomed by earthquake victims who were looking to their leaders for support (see Chapter 4.4).

Only isolated instances of political parties seeking to directly interfere in the relief and recovery process were reported, besides political party involvement in obstruction of the cash grant agreement process (see Chapter 4.2). In Tanglichok VDC in Gorkha district, political parties reportedly pressurized the VDC Secretary to change the beneficiary list. Political parties, however, did not insist on the change when the VDC Secretary did not give in to their demand. It is likely that political parties were simply trying to appease those excluded from the beneficiary list after the CBS assessment. More severe was interference in Syaule VDC in Sindhupalchowk where CPN-MC activists obstructed relief distribution by an NGO in May 2016. Alleging political bias and poor quality of the relief

<sup>102</sup> 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, pp. 48-54; 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, pp. 36-37.

materials, party activists reportedly threw away the relief materials brought by the NGO to distribute in the VDC. After this incident, the NGO halted its work without completing their relief distribution. The lack of clear dominance of one political party over others in most VDCs likely also contributed to the fact that there were few conflicts between political parties and only isolated incidents of direct interference and politicization of relief.

Few instances of physical obstructions of relief distribution and reconstruction efforts were reported and

the main political parties were not found to have been involved in violent attacks in the VDCs visited. Yet, there have been other reports of attacks on I/NGOs. In Nuwakot and Sindhupalchowk, the CPN-Maoist factions led by Netrabikram Chand (also known as Biplav) attacked World Vision International and Save the Children offices.<sup>103</sup> Although, researchers did not come across reports of similar attacks, rising dissatisfaction with and the increasingly negative portrayal in local and national media of I/NGOs in general (see Chapter 3) may lead to more incidents of violence in the future.

## 4.2 Political party involvement in the cash grant agreement process

### ***Political party representatives supported obstructions of the cash grant agreement process, which were common and caused delays in most VDCs.***

Protests and obstructions delayed the cash grant agreement process, and ultimately the disbursement of the grants, in eight VDCs out of the 12 visited in Gorkha, Okhaldhunga, Ramechhap, and Sindhupalchowk – districts where the process had begun at the time of research. Protests took place both at the district and VDC level and were common across these districts. As already reported in the IRM thematic study on cash grants, those protesting were largely people who had earlier been listed as eligible and received early relief, emergency cash grants, as well as winter relief, but who were then excluded from new beneficiary lists after the CBS assessment. This group, sometimes with the support of local political parties, delayed the cash grant agreement process in many locations.<sup>104</sup> In at least one place in Ramechhap municipality, protests were also joined by community members who were included in the beneficiary list but could not conclude cash grant agreements because they did not have the necessary documents.

Obstructions and protests often took the form of community members and local political party representa-

tives and, in some cases, VDC officials visiting district government offices to demand assurances that grievances would be addressed before the process moved ahead (see Chapter 3). In five of the eight VDCs where there were protests, the cash grant agreement process resumed after such meetings between protesters and district officials. Delays in the cash grant agreement process were common, however, even without strong direct protests or violence and were not restricted to VDCs where there had been protests or from where delegations had gone to meet district officials. On rare occasions, the ‘padlocking’ of local government offices and open confrontations were reported. Of the VDCs visited, only in Baruneshwor VDC in Okhaldhunga were there signs that the protest against the cash grant agreement process had the potential to turn violent. People protesting against the exclusion of individuals from the beneficiary list threatened to physically assault VDC officials. This resulted in the immediate suspension of the cash grant agreement process in the VDC and, as a result, the protest did not escalate any further. Actual physical violence related to the cash grant agreement process was not reported in any of the VDCs visited.

Political parties were generally instrumental in supporting such obstructions and advocating on behalf of earthquake victims with grievances during the cash

<sup>103</sup> ‘Biplav Maoist cadres attack Save the Children Office in Chautara’, 7 June 2016, <http://english.onlinekhabar.com/2016/06/07/378917> ‘Petrol bomb hurled at Save the Children office in Sindhupalchok’, 7 June 2016, <http://kathmandupost.ekantipur.com/news/2016-06-07/chand-maoists-attack-chautara-save-the-children-office.html> ‘Keshav Paudel’, AIN Challenges & Opportunities, Vol: 09, No. 23, 24 June 2016 (available at: <http://www.spotlightnepal.com/News/Article/AIN-Challenge-Opportunities-Nepal>).

<sup>104</sup> 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.

grant agreement process. Political party activists both asked VDC officials to halt the process, and took up the case of people who had been excluded from the new beneficiary lists with district officials. According to the VDC Secretary of Katunje in Okhaldhunga, political parties also called for community members not to participate in the cash grant agreement process and this also led to delays. The field data does not suggest, however, that political party representatives were involved in attempts to assault VDC secretaries or other government officials in relation to the cash grant agreement process.

Various factors may have motivated political parties to facilitate protests and obstructions. Given that genuine grievances were common in VDCs visited, it seemed that political party representatives generally acted on behalf of earthquake victims. Communities also seemed to want their leaders to get more involved in reconstruction and therefore asked party representatives to help them voice discontent and concerns relating to the new beneficiary lists and the cash grant distribution process (see Chapter 4.4). Further, this could be seen as an early attempt to reach out to and mobilize earthquake victims who were excluded from the cash grant process. Yet, given that political parties did not conduct their own earthquake-related programs and often worked together in raising local concerns and obstructing the cash grant agreement process, it cannot be seen as a systematic political mobilization of victims in order to gain party political support. The sidelining of political parties from the CBS assessment and the cash grant agreement process, as well as from local level decision-making on reconstruction in general, certainly also played an important role. Obstructions could likely have been prevented had there been prior involvement of political parties in the planning and decision-making related to the cash grant agreement process at the district and VDC levels.

***Political parties were also active in negotiating the resumption of the cash grant agreement process.***

Interestingly, after assisting people to protest against the CBS assessment and obstruct the cash grant agreement process, political party representatives also facilitated agreements between protestors and district government offices. Political parties actively negotiated agreements with district officials on behalf of those who protested against their exclusion from the new beneficiary lists, and helped ensure that the cash grant agreement process could resume. Political parties then informed victims that agreements had been made to address their concerns and adjust beneficiary lists based on grievance forms submitted to government offices. After this, protests were called off and the cash grant process was allowed to move ahead. Political party representatives, especially at the

VDC level, then played important roles in facilitating the process.

***Political parties played crucial roles in informally assisting the cash grant agreement process by helping individual earthquake victims navigate the process and facilitating communication between government offices and local communities.***

In 10 out of the 12 VDCs visited where the cash grant agreement process was underway, political parties provided assistance during the process.<sup>105</sup> Political parties informally helped VDC officials plan and coordinate the process, informed people about the timing, procedures, and requirements for signing cash grant agreements, and provided logistical support such as helping victims fill in various forms, submit grievance forms, and keep the required documents in order. Political parties' informal facilitation was not seen as controversial and was generally received positively by the people and local government officials. "Political parties know about the suffering of the people and carried out their moral obligation towards people by assisting them," said the VDC Secretary of Prapcha in Okhaldhunga. The VDC Secretary of Banti Bhandar in Ramechhap also praised political parties' assistance during the agreement process and felt that their assistance was crucial for the conclusion of cash grant agreements in the VDC. In Lisankhu VDC in Sindhupalchowk, political parties went to the district headquarters and brought the VDC Secretary to Lisankhu to begin the process. Across the research areas, representatives from different political parties were involved in assisting the cash grant agreement process, with none of the parties being more active.

Political parties were actively engaged in communication between the government offices and people in the villages on policies, rules, and procedures of the grant agreement process and the disbursement of the grant as well as building requirements. Political parties communicated decisions of the VDC, such as the date and place for reconstruction cash grant agreements, essential documents required to conclude the agreement process and other relevant information.

Local residents in six of the 12 VDCs where the agreement process had begun told researchers that political parties helped share information between government offices and local communities as well as between VDC

<sup>105</sup> The two VDCs where political parties were less involved were Barpak and Dhuwakot VDCs in Gorkha district. In Gorkha, there was a higher presence of I/NGOs but this was not the reason why political parties were less involved. In fact, in Dhuwakot VDC, I/NGOs were reportedly not assisting the agreement process. In Barpak, VDC level political parties were still represented in the Village Grievance Management Committee.

offices and the district headquarters.<sup>106</sup> Political parties were able to communicate peoples' concerns and needs to the district and VDC officials as community members frequently share their concerns and needs with them seeing them as the appropriate authority who could act on their behalf. Further, local leaders were generally more approachable than VDC secretaries who are either only temporarily stationed in the VDC or reside in the district headquarters and thus lack the local understanding and rapport with people that political party representatives have. The role of political parties in acting as communication channels between community members and local government was already highlighted in IRM-2. But the significance of this role had increased greatly by September 2016 in light of the large volume of information on the cash grant agreement and distribution processes and reconstruction guidelines.

***There was no indication of the emergence of new forms of leadership in the VDCs and wards visited; on the contrary, the technical and bureaucratic approach to reconstruction reduced the potential for new leadership.***

In the first year after the earthquakes, some young political leaders or activists, Ward Citizen Forum (WCF) members and coordinators, philanthropists, and local business people were active in providing or coordinating aid and taking on limited leadership roles.<sup>108</sup> By September 2016, however, such initiatives were rare as these potential new leaders became less relevant. After the end of the relief phase, the technical and bureaucratic nature of the reconstruction process left little room for those who had demonstrated leadership potential to continue to be engaged and exert their influence in the longer term.

NRA guidelines required that the CBS assessment was carried out by technical experts deputed by the NRA and the cash grant agreement and grant distribution

Political parties were generally excluded from VDC-level grievance mechanisms despite being instrumental in assisting people with the submission of complaints. In seven VDCs out of the 12 where the grant agreement process had begun, political parties either helped fill up and collect grievance forms or generally tried to understand people's grievances which they then communicated to VDC and district officials – as they did during obstructions of the grant agreement process. Only in one VDC, Barpak in Gorkha, were political parties included in the official Village Grievance Management Committee despite the fact that the NRA guidelines do not have a provision for the inclusion of political representatives in such committees.<sup>107</sup> The reason for the exception of Barpak was unclear.

## 4.3 Emergence of new leadership

processes were led by the VDC office without allowing for the involvement of local leadership figures and community members. Further, the slow and centralized approval process for recovery and reconstruction projects restricted the ability of those trying to act locally.<sup>109</sup> Some tried to bypass NRA guidelines in their reconstruction efforts to assist communities more quickly. For example, an influential individual in Solukhumbu has made the reconstruction of houses possible for people in one of the district's VDCs. However, lacking proper approval from the NRA due to the difficult approval process, the individual has chosen to avoid the limelight and leadership that is generally expected with such work. Additionally, locals are generally aware that influential people in their communities are formally or informally linked to political parties. It is therefore not always possible to conclude whether people active and leading during the reconstruction phase are acting on behalf of their political party or are creating new leadership roles for themselves.

<sup>106</sup> In some areas (six out of 36 wards), political parties had only little to no organized presence and there was limited political activity even before the earthquakes. Six wards had lower levels of political party activities due to a lack of ward representatives but political parties were nevertheless active at the VDC level in all VDCs. The six wards with lower levels of political activity were in Barpak VDC (Gorkha), and in Baruwā and Lisankhu VDCs (Sindhupalchowk).

<sup>107</sup> The Procedures Relating to Grievances Management with Regard to Reconstruction and Restitution 2016 (available at: <http://nra.gov.np/download/details/132>).

<sup>108</sup> 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, pp. 36-37.

<sup>109</sup> See The National Reconstruction Authority: Procedure for the Mobilization of Non-Governmental Organization for the purpose of Recovery and Reconstruction (available at: <http://nra.gov.np/uploads/docs/zSE4qx4BWj160417092156.pdf>)



## 4.4 Support for political parties and local leaders

### ***Dissatisfaction with political parties was high but did not lead to changes in which political party people were supporting.***

In 16 of the 36 wards visited, local residents expressed dissatisfaction with political parties in general rather than any one party in particular. Only in six wards did people say they were satisfied with political parties. In the remaining 14 wards, people's opinions on political parties were neutral. However, people commonly blamed political parties for the outcomes of damage assessments, procedural hurdles to the conclusion of cash grant agreements, what they perceived as inadequate assistance, and even the unsatisfactory state of reconstruction. In 23 out of 36 wards visited, locals blamed political parties and their representatives for the slow pace of reconstruction.<sup>110</sup> Yet, people rarely held specific local leaders accountable. Community members may simply consider political parties to be responsible for the state of local governance in their community, including reconstruction. Dissatisfaction with political parties is generally common in Nepal.<sup>111</sup>

High levels of dissatisfaction, however, did not seem to lead to changes in which party people supported. There was no indication in any of the wards visited that people were changing or thinking of changing who they would support. This may be at least in part due to the fact that no new leadership has emerged that is challenging existing political parties and no single political party has been able to distinguish itself in the post-earthquake relief and reconstruction processes. With political parties enjoying *de facto* leadership status at the local level, and with the absence of alternatives, people have no option but to continue working with the traditional political parties in their communities.

Over 40 percent of community members felt that local elections would improve the recovery and

reconstruction process. This reiterates the significance community members attach to the role of political parties in their VDCs and wards. It likely also reflects on the importance people attach to holding local leaders accountable. Only 25 percent of community members thought that local elections would be unlikely to affect reconstruction. The remaining 35 percent were indifferent or unsure about the impact of local elections.<sup>112</sup>

### ***High levels of dissatisfaction with political parties were linked to their lack of involvement in the reconstruction process rather than interference.***

As in IRM-2, community members did not necessarily view the involvement of political parties as undesirable. In fact, those who blamed political parties for the unsatisfactory state of reconstruction referred to their lack of engagement rather than political interference or bias as reasons. The informal assistance provided during the cash grant agreement process was welcomed by many but was not seen as sufficient. Rather, community members across the wards visited in the field research shared the impression that political parties have not done enough. As Om Prasad Dahal of Baruneshwor VDC in Okhaldunga said, "People are unhappy with the role of political parties because they didn't play an active role after the earthquake." People expected political parties to be more engaged in the recovery and reconstruction process. As political parties failed to meet these expectations, dissatisfaction increased. It is likely of course that some of those who benefited from earlier generous damage assessments influenced by political parties may have liked similar interference from political parties to continue.<sup>113</sup> In this sense, the absence of political involvement in the reconstruction process, and particularly in the CBS assessment, is encouraging. Yet, the practical assistance and crucial communication channels pro-

<sup>110</sup> Out of the 36 wards visited, six had limited political activity and organized presence of political parties even before the earthquakes.

<sup>111</sup> The Carter Center, *Local Governance in Nepal: Public Perceptions and Participation*, February 2014 (available at: <https://www.cartercenter.org/resources/pdfs/news/pr/nepal-022814-local-governance.pdf>).

<sup>112</sup> In addition to key informant interviews, focus group discussions, and informal conversations and observation, a minimum of 10 citizens were formally interviewed in each ward visited to directly collect the perspectives of community members on the themes of the research. Citizen interviews were done on the basis of

a questionnaire with 20 questions covering the five themes of IRM research.

<sup>113</sup> Interference in damage assessments was common in IRM-1 and IRM-2. See, 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, pp. 48-54; The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February and March 2016)*. Kathmandu and Bangkok: The Asia Foundation, pp. 36-37.

vided by political party representatives also reveal the potential for local leaders to be more involved in reconstruction processes.

***Support for local leaders was strong with communities turning to them for information, assistance, and guidance. As such, there is a potential for local leaders to play a positive role during reconstruction.***

Despite high levels of dissatisfaction with political parties, many community members tended to see local political leaders as their legitimate representatives who are primarily responsible for and capable of addressing or mediating their needs and concerns regarding their recovery. People therefore continued to support their local leaders and look to them for information and assistance in particular with navigating government policies and programs. In many areas without the permanent presence of a VDC Secretary, party representatives are often the

only people who locals can approach with questions and complaints. But elsewhere, too, local leaders were found to play an important role in facilitating communication between earthquake victims in villages and government offices – as during the cash grants agreement process.

With many relying on the support of local leaders, and with parties continuing their customary influence over decision making at the VDC and district levels, it did not seem possible to completely exclude them from decision-making on and coordination of reconstruction at the local level nor did this seem to be desired by earthquake victims. Instead, the traditional influence of parties in villages could be useful in managing the recovery and reconstruction process more efficiently if frameworks for the inclusion and accountability of political parties are developed. Political parties can also bring customary legitimacy to the process thereby decreasing the chances of protest and dissatisfaction among community members.

## Chapter 5.

# Social Relations and Conflict



Photo: Alok Pokharel

### Social cohesion and tensions

- Social cohesion has generally been strong since the earthquakes and social relations remained unchanged between IRM-2 and IRM-3 in most of the wards visited. In nearly half of the wards where tensions were reported in IRM-2, these had since disappeared.
- Conflicts and tensions continued in some places where local disagreements over displacement and resettlement were not addressed. Caste-based discrimination often shaped the nature of these conflicts. Water scarcity seemed to aggravate such tensions.
- As the volume and coverage of aid declined, complaints about uneven access to aid and perceived discrimination in distribution also decreased.
- There were no reports of overt conflict between those excluded from beneficiary lists and those qualifying for reconstruction cash grants.

### Violence, crime, and security

- No increase in crime was observed and people generally felt safe.
- Disputes related to gender-based violence and alcohol consumption were relatively common in some areas but it is difficult ascertain direct links to the earthquakes.

### Social networks and recovery

- Strong social cohesion enabled community members to assist each other during the recovery process and helped speed rebuilding. Social networks beyond the immediate community facilitated access to financial and material resources for rebuilding as well as information.
- Marginalized groups were less likely to access and benefit from extended networks but families were sometimes helping each other within communities.

### Potential sources of conflict

- Conflicts related to resettlement, water sources, and caste-based discrimination may escalate if these issues remain unresolved.
- Frustrations of earthquake victims over the slow pace of reconstruction can be expected to rise if assistance is delayed further. Such frustrations and dissatisfaction with the government and non-governmental organizations may lead to protests or new conflicts.

### Box 5.1: Findings from IRM-1 (June 2015) and IRM-2 (February–March 2016) on social relations and conflict

***In most areas, social relations have not been majorly impacted by the disaster and were observed to be good.*** Social relations in most wards remained unchanged and were cordial. In IRM-2, 27 out of 36 wards studied reported consistent or improved social relations within their communities since the earthquakes.

***Social cohesion and solidarity were particularly strong in the immediate aftermath of the earthquakes.*** Solidarity was strengthened in the first weeks after the earthquakes. Some shared temporary shelters with other caste or ethnic groups. Pre-existing modes of cooperation and the even distribution of relief materials were highlighted as contributing to community solidarity in June 2015.

***Crime and violence did not increase noticeably after the earthquakes.*** No significant incidents of violence relating to the earthquakes or the recovery process were observed and crimes were not reported to have increased during the first monsoon or winter following the disaster. Conflicts and disagreements generally remained limited to verbal confrontations or resentment.

***Where social relations declined and tensions were observed, this was often linked to unclear resettlement plans for the displaced, water scarcity, perceived or actual discrimination in aid distribu-***

***tion, and contention over damage assessments.*** The lack of clarity on and consistency of damage assessments and resettlement procedures, and their impact on reconstruction, was often raised. Various rounds of damage assessments conducted after the earthquakes were contentious and increased resentments and the likelihood of tensions at the local level. Displacement and resettlement was the issue that caused the most tension, but there were both examples of communities and local officials who handled this process well, as well as places where it was not effectively managed.

***Caste and ethnicity remained important factors that shaped the nature of tensions and resentments.*** Resentment over perceived and actual discrimination relating to caste and ethnicity were often voiced, revealing that these categories and issues of structural discrimination continue to affect social relations and aid distribution. Aid distribution was most contentious when it was targeted at certain segments of the population, especially when others in the locality had also suffered significant impact from the earthquakes. Where conflicts were observed, for example between local and displaced groups, these also sometimes occurred along caste or ethnic lines. This indicated the potential for increased social tension in the future. Generally, however, frustrations with relief distribution and resettlement were directed at decision-makers, and less frequently at neighbors.

***Social cohesion has generally been strong since the earthquakes and social relations remained largely unchanged between IRM-2 and IRM-3 in the majority of wards visited.***

As was the case in the first year after the earthquakes, social cohesion has remained strong in most wards, even with the slow speed of reconstruction and significant declines in amounts of relief and direct aid distributed. People in general have maintained good relations with other people in their ward and have helped each other when they could. For example,

local communities worked together to construct temporary shelters in the immediate aftermath of the earthquakes and continued to use shared labor practices to rebuild houses or local infrastructure 18 months on (see Chapter 7.5). Since the earthquakes, families have also commonly offered their land to others in the community who could not use their own land for temporary shelters. As in previous rounds of research, positive relations and mutual support were observed to cross caste and ethnic boundaries in most of the locations visited.

## 5.1 Social cohesion and tensions



In IRM-3, there were so no significant problems with social relations in 31 out of the 36 wards studied. No new tensions emerged in the 27 wards where social cohesion was reported to have remained intact or had strengthened in IRM-2. Among the nine wards where some tensions or conflicts were reported in IRM-2, the situation had not improved in five wards while in four wards local tensions disappeared. A slight improvement in social relations was therefore observed in IRM-3 compared to IRM-2. Where social cohesion was poor, this was attributed to tensions between local and resettled communities and caste-based discrimination and related conflicts.

***Conflicts and tensions continued where local disagreements over displacement and resettlement had not been addressed.***

Previous rounds of research reported cases of conflict or tensions around displacement and resettlement in three locations: Prapcha VDC in Okhaldhunga, Syaule VDC in Sindhupalchowk, and Barpak VDC in Gorkha. These conflicts persisted as there was no progress in finding long-term resettlement solutions for the displaced.

In Prapcha VDC in Okhaldhunga, several Dalit households faced discrimination and tensions with locals when they had to relocate to a new area because the land they used to live on was damaged and at risk of landslides.<sup>114</sup> After the earthquakes, the Dalit families from wards 8 and 9 moved to an arranged communal shelter on public land in Deurali Daanda, ward 3. Displaced Brahmin households from the same wards were also offered the opportunity to relocate to the communal shelter but refused to share it with Dalits. The local community in Deurali Daanda, which is predominantly upper caste, complained about Dalits occupying the space and, by early 2016, most Dalit households had moved away to stay in cowsheds they built on rented land in ward 5. They expressed a desire to move back during the monsoon season.<sup>115</sup> However, in September 2016, toward the end of monsoon, the communal shelter had been damaged and the displaced households were either living back in their original settlement despite the risks or were still on rented land in ward 5. Tensions between displaced

Dalits and upper castes continued in the VDC, centering on drinking water (Case Study 5.1) and the grazing of cattle and goats belonging to Dalits on the land of Brahmins. While such discrimination is likely to have occurred before, the earthquakes aggravated tensions. Dalit respondents pointed out that displacement and damage to the land in the area made finding land for grazing more difficult. Brahmins, on the other hand, expressed dissatisfaction over what they perceived to be the unfair targeting of Dalits for additional aid. With the latest official assessment in Prapcha advising Dalits and Brahmins from the affected settlements in wards 8 and 9 to continue staying elsewhere due to the high risk of landslides, especially during monsoon, such tensions are likely to remain and new ones may surface as resettlement solutions become more long term.

In Syaule VDC in Sindhupalchowk, 19 households had to relocate as their settlement, Dadagaun, had become landslide-prone. They moved to Kerabari where they occupied land along the main road and community forest. As reported in IRM-2, their presence in Kerabari caused tensions with the local community.<sup>116</sup> They continued to face animosity in IRM-3 with their new neighbors often complaining about their presence and accusing them of occupying valuable commercial land and using forestland to plant vegetables. Further, the residents of Kerabari demanded that the displaced helped build a new road in the ward, which led to tensions when they refused. “Locals do not want us to stay here but they want us to work (for them) here,” said Dil Bahadur Khatri, a 77-year-old man living in a temporary shelter. No measures had been taken in the VDC to address the issue and to resettle the displaced households. Nor had a geographical assessment been done. The displaced therefore continued to be uncertain as to whether or not it was safe to return to their land and where to settle in the longer term.

In Barpak VDC in Gorkha, social relations were now generally good although tensions around resettlement remained as concerns over displaced Dalits occupying public land designated for a health post, already voiced in IRM-2, continued to be raised. Locals remained dissatisfied with the fact that Dalits were given government land for resettlement while other displaced

<sup>114</sup> Tensions between displaced Dalits and local communities in the resettlement area in Prapcha VDC have been observed since IRM-1. See, 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.

<sup>115</sup> See details in The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake*

*Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February-March 2016)*. Kathmandu and Bangkok: The Asia Foundation, p. 44.

<sup>116</sup> See details of the conflict reported in IRM-2 in The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February-March 2016)*. Kathmandu and Bangkok: The Asia Foundation, p. 44.



Photo: Binu Sharma

households had to pay rent. Some were also resentful that Dalits received more aid than other groups. In Barpak, more direct aid continued to be distributed in IRM-3 than in most other VDCs visited. The tensions that emerged in the VDC, a result of the combination of discrimination and resettlement, could still be observed in IRM-3, even though overall social relations were good in the VDC.

***Discrimination against Dalits was common and a major factor leading to the emergence or continuation of social tensions. Water scarcity seemed to aggravate caste-based discrimination.***

Besides tensions related to resettlement, which were often shaped by caste, caste-based discrimination and related tensions over access to water were also observed. Water shortages seemed to aggravate the

situation. Dalits who are traditionally denied access to communal water sources due to the notion of untouchability were particularly vulnerable to discrimination. Water sources are often the site where purity and related notions of sanitation and hygiene, used to mark discrimination based on caste boundaries, are reinforced.

Dalits in Prapcha VDC, Okhaldhunga, have faced various challenges. They were displaced and living in uncertain conditions in shelters (see above) but also facing the burden of living in a society that tries to push them to the margins by routine acts of social discrimination, structural inequality, and sometimes physical acts of violence. In Prapcha, where drinking water was scarce, caste-based discrimination led to a fight that eventually had to be settled by the police (see Case Study 5.1).

### Case Study 5.1: Water, caste, and conflict

Drinking water has been a major source of conflict between upper castes and Dalits in Prapcha VDC, Okhaldhunga, where tensions around the resettlement of Dalits from a landslide-prone area have been observed since IRM-1.

The children of displaced Dalits in the VDC are often abused when collecting water from the public water tap and are sometimes prevented from filling their water vessels. To avoid conflict and abusive remarks, Dalit families started collecting water early in the morning, before anyone else. Upper caste families said that they did not want Dalits to collect water because of water shortages rather than because of the practice of untouchability. Yet, many were unhappy about the presence of displaced Dalits in their settlement and considered them to be 'dirty'. "The majority of villagers do not want the Dalits to live here," explained a local teacher, adding, "They live in a dirty environment, quite unhygienic, they defecate in the open, they have pigs, and so it is a matter of hygiene."

While these tensions often remain under the surface, they erupted in direct conflict when

the vessel of an upper caste family was removed from the tap and the Dalit community was blamed. Dhak Bahardur Sarki, a 30-year-old Dalit farmer who had been living in a temporary shelter in the village, recounted the situation: "There is conflict between the traditional upper-caste Brahmins and us Dalits here over the issue of drinking water. One Katwal [upper caste] man had filled his water vessel in the public tap and went away. Somebody removed that vessel to fill water. He then accused a Dalit man of stealing it. The dispute escalated and there was a physical fight." The police had to be called in to mediate the conflict.

While everyday discrimination because of the notion of untouchability has become subtler since it became a punishable offence, as local residents pointed out, it can still be observed in Prapcha and is likely to continue to cause tensions in the future. Resettlement on their original land will likely not be possible for the displaced Dalit families as their land was determined to be unsafe by an assessment team.

In Lisankhu VDC in Sindhupalchowk, drinking water scarcity due to the drying of water sources after the earthquakes led to frequent verbal fights between women collecting water (reported in IRM-2). By IRM-3, drinking water facilities had been repaired and the number of community water pipes had increased from 9 to 23, solving some of the previous tensions. However, the newly installed water sources did not evenly benefit every group in the ward. Dalits complained that they did not have enough drinking water in their settlement and that they were not allowed to collect water from the pipes in the other groups' settlement. This discrimination occurred despite the fact that displaced Dalits have been living on the land belonging to Tamang households for free.

Although outright physical conflict was only observed in one of the wards visited, discrimination against Dalits was common and even considered normal despite general claims of 'good' social relations. Pre-existing structural inequalities and practices of social exclusion shape social relations in most villages and Dalits are particularly vulnerable as they face additional difficulties in their efforts to recover from the

earthquakes (see Chapter 6). Dalits continued to feel that they were excluded from decision-making on aid, received less information, and were treated differently by officials and local leaders. Dalits also had more difficulties accessing credit from moneylenders who are traditionally upper caste (see Chapter 7.5). As aid distribution had reduced by IRM-3, especially direct and targeted aid, resentment related to the perceived uneven distribution also decreased (see below). However, caste-based tensions and resentment persisted.

In Katunje VDC in Okhaldhunga, where there has long been tension between Dalits and upper castes and where both groups have previously complained that they have received less aid than the other, Dalits continued to hold the view that local leaders did not respond to their needs because of their caste. Some also complained about derogative comments from upper caste moneylenders when they tried to take loans. Moneylenders are the most feasible source of lending for the poor and lower castes as these groups often lack the assets and social networks needed to access bank loans. In Arukharka VDC in Syangja, Dalits similarly complained about discrimination



by the VDC office. Dipendra Sunar expressed his discontent: “The VDC Secretary does not count us as humans, maybe because we are uneducated Dalits.”<sup>117</sup>

In some areas, caste- or ethnicity-based discrimination had reduced to some extent in the immediate aftermath of the earthquakes when communities stuck together; but discrimination was observed as having resumed by IRM-3.<sup>118</sup> In Baruwa VDC, Sindhupalchowk, Maili Nepali, a Dalit woman, claimed that, “Discrimination [against Dalits] decreased soon after the earthquake but now the social relations have turned back to normal.” Her son recalled how he helped the Tamangs in the village dig out dead bodies but feels that although discrimination reduced after the earthquakes, previous attitudes towards Dalits were resurfacing. Even where communities were able to temporarily overcome traditional boundaries of caste and class after the earthquake, the structural causes of inequality and discrimination continued to affect how communities related to and viewed each other, with caste being a major factor.

***As the volume and coverage of aid declined, complaints about uneven access to aid and perceived discrimination in aid distribution also decreased.***

Several cases of social tensions around relief distribution that were reported in IRM-2 had disappeared in IRM-3, generally because the frequency and volumes of aid had declined significantly.<sup>119</sup> The first was in Dhuwakot VDC in Gorkha where Dalits previously reported discrimination during relief distribution and where conflict erupted that had to be mediated by the police to avoid violence. Dalits thought that upper caste households living closer to the distribution venue had received more aid. In IRM-3, however, there was no evidence that resentment had persisted and social relations in the ward were observed to be more cordial.

The second conflict was in Ratna Jyoti Bazar, Bamti Bhandar VDC in Ramechhap. Shopkeepers in this area were from other VDCs or districts and did not receive relief as locals thought only long-term residents should receive post-earthquake aid. This had previously caused tensions between the shopkeepers and locals but had been resolved by IRM-3 when no more relief was being distributed. Further, shopkeepers had received beneficiary cards as residents of this VDC following the CBS assessment.

The third case of previously reported tensions was in Tanglichowk VDC in Gorkha where Janajati groups, mostly Gurung and Magar, resented that the local Chepang community had received targeted aid. The Janajatis continued to hold the opinion that every group should receive the same amount of aid. But since Chepangs had shared aid with others, and in the absence of relief and targeted aid distribution, relations returned to being amicable.

***There was no report of overt conflict between those excluded from beneficiary lists following the CBS assessment and those included and able to sign cash grant agreements.***

No overt tensions between those included in beneficiary lists and those excluded were observed. On the contrary, the former often supported local protests by those who were excluded from the cash grant agreement process. Further, there were many examples of beneficiaries helping those who were excluded fill out grievance forms. Some resentment was reported in Ramechhap and Okhaldhunga districts. However, strong social cohesion after the earthquakes, and the opening of the process of collecting grievances and complaints to correct beneficiary lists, meant that relations between beneficiaries and those not listed did not deteriorate and no conflicts between the two groups were observed.

<sup>117</sup> In Arukharka VDC in Syangja district, earthquake-affected people not only faced uncertainty about financial aid for rebuilding their damaged houses, but also resented not having received winter relief. The resentment towards the VDC Secretary for his perceived discrimination and lack of response to grievances was observed to be very high. Most of those affected and needing government aid were poor Dalit households. See, 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.

<sup>118</sup> The shared traumatic experience of living in temporary shelters and helping each other as communities faced the enduring aftershocks had brought them together. Inter-caste cooperation was observed and praised in the aftermath. For example, at the epicenter of the first earthquake in Barpak VDC in Gorkha, Dalits and Gurungs shared shelters and kitchens. See, The Asia Foundation and Democracy Resource Center Nepal (2015).

*Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 65.

<sup>119</sup> IRM-2 reported that while social cohesion overall remained good, ward residents often complained about unequal aid distribution. Remarks included perceptions that those closer to the locations where relief materials were dropped got more aid or that there was some political appropriation or interventions diverting aid to particular groups. The most common complaints were about other ethnic and caste groups receiving more aid. However, frustrations were more likely to be directed at decision-makers and government offices than at other groups. Only in a few cases did they turn into tensions within the wards. See, The Asia Foundation and Democracy Resource Center Nepal (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 2 – Qualitative Field Monitoring (February-March 2016)*. Kathmandu and Bangkok: The Asia Foundation, p. 48.





Photo: Anurag Devkota

***People commonly identified the ethnic mix of communities as determining whether social relations were good or bad. But there is little correlation between ethnic mix and the existence of problems.***

In seven wards, ethnic homogeneity or the presence of one dominant ethnic group was seen by respondents as being an important factor that contributed to strong social relations. For example, in Barkpak VDC in Gorkha, most households are Gurungs while a few are Ghale. Although separation between the two communities remains, with inter-marriage still rare, similar economic conditions enable strong and positive social relations. In six of the seven wards identifying homogenous ethnicity as a factor contributing to good social relations, the dominant ethnic group was from *Janajati* groups such as Tamang, Magar, or Gurung. Only in Shrikrishna Gandaki VDC, Syangja, was the dominant ethnic group Brahmin.

On the other hand, heterogeneity of the local community, with different ethnic groups mixing due to people migrating from elsewhere, was considered to be positive for social relations in three wards. This was particularly the case in bazaar (market) areas. People from different occupational and ethnic groups tend to settle in bazaar areas where they interact frequently.

Yet ethnic mix alone does not determine whether or not social relations are good with conflict or tensions observed both in homogenous and heterogeneous

wards. For example, in Tanglichok VDC in Gorkha, the majority of the local population is Chepang yet there were tensions between the Chepangs and Gurungs and Magars over relief distribution.<sup>120</sup> In Bamtibhandar VDC in Ramechhap, a bazaar area where ethnic and caste groups mix, there was conflict between migrant shopkeepers and the local community.

Some also thought that ethnic and caste groups 'keeping to themselves' allowed for cordial social relations. In two wards in Baruneswar VDC and one ward Katunje VDC, in Okhaldhunga, residents reported that everyone had gone back to their pre-earthquake routines and that different groups were again keeping to themselves after briefly interacting more and helping each other immediately after the earthquakes. The separation, they thought, had helped maintain social relations and prevent conflict. The majority of residents in these three wards are Brahmin-Chettris and Dalits. The continued segregation of the Dalit communities in these wards highlights that even where social relations are considered to be good or unchanged, problems related to inequality and discrimination may exist.

<sup>120</sup> As reported in IRM-2. 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, p. 47.

## 5.2 Violence, crime, and security

### ***No increase in crime was observed and people in wards visited generally felt safe.***

As in the first two rounds of IRM, the security situation has generally remained stable. In all 36 wards visited, no increase in crimes was observed and key informants at the district and VDC levels reported that in other areas crime rates have also remained largely unchanged. Only isolated cases of crime were reported in some of the districts.

Most people in the wards visited also reported feeling safe. Although in almost all wards visited some people continued to live in temporary shelters, residents in 34 out of 36 wards said they felt safe. In one ward of Prapcha VDC in Okhaldhunga district, some residents said they felt unsafe because they still lived in damaged houses with only minor repairs, because of the trauma of living through the earthquakes, and because they feared landslides. In Sindhupalchowk, some women felt unsafe as they feared gender-based violence (see below).

### ***Disputes related to gender-based violence and alcohol consumption were common in some areas but it is difficult ascertain direct links to the earthquakes.***

Gender-based and domestic violence is one of the main reasons women, especially those in temporary shelters, have been feeling vulnerable in some areas

since the earthquakes; cases of violence are often linked to alcohol abuse (see Chapter 6). Other disputes have also been linked to overconsumption of alcohol. In Dhuwakot VDC in Gorkha, for example, a dispute between Dalits and other groups was reported and blamed on the Dalits consuming large amounts of alcohol.

It was difficult, however, to determine whether alcohol consumption and gender-based violence have increased since the earthquakes and how they are changing over time. Both have long been reported in the research areas and local residents often highlighted that these were not new problems. In Sindhupalchowk, there was a slight increase in reported cases of gender-based violence with 150 cases registered at the District Women and Children Office in the district headquarters since March 2016. Yet, Rewati Raman Nepal, the Information Officer at this office, was careful not to link the slight rise in reported cases to the earthquakes and said this was more likely related to increasing awareness among people that led to them being more likely to report incidents. In some areas, such as Syaule VDC in Sindhupalchowk and Barpal VDC in Gorkha—both high impact areas in severely hit districts—increases in alcohol consumption after the earthquakes could be observed and were related to psychological stress and trauma (see Chapter 6). Yet, minor disputes and offenses related to alcohol, such as drunk driving, were reported in all districts and seem to be unrelated to the earthquakes.

## 5.3 Social networks and recovery

### ***Strong social networks and social cohesion facilitate recovery.***

Findings from three research rounds for IRM highlight that strong social cohesion can help recovery by enabling collective action and mutual support. Further, extended social networks beyond the immediate community or locality have also facilitated recovery after the earthquakes as these are often necessary to effectively access financial and physical resources as well as information. Existing inequalities and social discrimination within communities, however, especially along caste and class lines, mean that such networks and community support do not equally benefit all residents.

Practices of labor sharing have been observed in several wards since IRM-1. Immediately after the earthquakes in June 2015, communities in Dolakha and Okhaldhunga districts that have traditional practices of labor sharing, known as *parma*, were observed to be helping each other salvage goods from destroyed houses and collectively building temporary shelters. In IRM-3, labor sharing was observed in three of the 36 wards visited and in several other locations, communities raised money at their own initiative to repair local infrastructure (see Chapter 7.5). Where labor sharing practices were used, people mostly did so to help each other repair damaged homes or rebuild (see Case Studies 5.2 and 7.9). Yet, some also worked together to recover sources of livelihoods. For example, the Dalit community in Barpak, Gorkha, used their strong communal ties to rebuild a blacksmith

workshop with financial assistance and training from CARE and was planning to also jointly rebuild homes (see Chapters 7.4 and 7.5).

Access to credit, government offices, and aid was often shaped by connections to wider social networks beyond the immediate community. As reported in Chapter 7.5, borrowing was common and most borrowed from informal sources such as moneylenders. Yet, Dalits were facing greater difficulties accessing

loans especially from formal sources but also from moneylenders who tend to be high caste and to discriminate and insult Dalits. While there were examples of targeted aid, Dalits, other marginalized groups, and those in very remote areas were generally finding it harder to access information and resources from formal sources of lending as well as government offices and other distributors of aid. This has implications for the vulnerability and long-term recovery of these groups (see Chapter 6).

### Case Study 5.2: Community support for rebuilding

Lorke Tamang from Syaule VDC in Sindhupalchowk was able to repair his house with the help of others in his community. The Tamang community in his village used the traditional labor sharing practice known as *parma* to assist each other during reconstruction. They formed groups of five to work on houses on a rotational basis – though most used the repaired houses only to store food and grains and continued to live in their temporary shelters.

Construction costs were minimized by this practice of labor sharing but Lorke Tamang still had to sell his buffalo and some gold to raise around

NPR 150,000 for his house. “We still sleep in the temporary shelter we have built and use the house for storage and a shop. My wife has already opened a small shop in the new house in the hope of earning some money,” he explained.

Tamang is glad about the help he received from his neighbors, which allowed him to store harvests, food, and goods safely and enabled his wife to run her shop. He said he felt more positive about the future after rebuilding part of his old house and looked forward to getting back to normal life and farming his land as he had done before the earthquakes.

***Conflicts related to resettlement, water sources, and caste-based discrimination may escalate if these issues remain unresolved.***

With many displaced people still living in temporary shelters, and some clashes with local communities observed since IRM-1, local tensions between local and displaced communities continue to be a source of potential conflict, especially in the absence of clear long-term resettlement plans. Displaced Dalits have been most likely to face discrimination and conflicts with local residents and this may be a cause for escalating caste-based conflicts. Delays in relocation and geological assessments of the land of the displaced increases the chances of such conflicts. Further, discontent and conflicts often centered on the use of resources such as water, land, and community forests. Research for IRM-3 was conducted at the end of the monsoon season when water was plentiful. However,

during the dry winter season, water scarcity may also intensify conflicts within and between communities.

***Frustrations of earthquake victims over the slow pace of reconstruction and policy changes are expected to rise if assistance is delayed further. Such frustrations and dissatisfaction with the government and non-governmental organizations may lead to new conflicts or protests and violence.***

As described in Chapter 3, discontent over the slow pace of recovery and rebuilding was high in most areas visited and has led to conflicts with government officials in some cases. While the cash grant agreement process was being conducted and some were beginning to receive the first instalment of the cash grant, many remained unsure whether and when they would receive assistance, especially in Solukhumbu

and Syangja where the cash grant agreement process had not yet begun in September 2016. Further, many were dissatisfied with the assessment and agreement processes and many official complaints were collected in most districts. Possible logistical delays in addressing grievances may also lead to tensions and protests in the districts.

While those excluded from beneficiary lists remain uncertain about the government's response to their complaints, those who have already repaired or rebuilt their houses were also unsure whether the houses they have rebuilt would qualify retrospectively for the reconstruction cash grant or future instalments of the

grant. As a political leader from Gorkha explained, "In one VDC about 70 percent of people have rebuilt their houses but they may not have necessarily used earthquake-resistant techniques. The NRA provisions state that rebuilt houses that are certified by engineers as having followed the right techniques will also qualify for the cash grant. But if the engineers do not certify these houses, the people may beat and chase them out of their villages." The uncertainty and delay in developing timely policy responses to such concerns and communicating these clearly to the local level point to the possibility of such issues giving rise to conflict in the future.



## Chapter 6.

# Protection and Vulnerability



Photo: Binu Sharma

### Vulnerable groups and the challenges they face

- The displaced and those in temporary shelters remain among the most vulnerable. Malnutrition among children was observed by respondents to have increased among those in temporary shelters.
- Those returning to damaged houses or at-risk land are particularly vulnerable. More people were moving back to damaged houses by September 2016, often after only minor or no repairs, and to geologically risky land from which they had been displaced.
- People in remote areas continued to be more vulnerable as they faced greater obstacles accessing aid and rebuilding houses.
- Women, children, and the elderly continue to be seen as particularly vulnerable groups by many respondents. Women face risks of gender-based violence and trafficking. Women's voices were rarely considered as they continue to be underrepresented in local government and other decision-making bodies.
- Overall, it is becoming clearer how structural inequalities and prevalent forms of exclusion and discrimination are negatively affecting the recovery of groups that were marginalized before the earthquakes.

### Dalits

- Dalits stand out as a highly vulnerable group in IRM-3, facing economic, social, and structural obstacles to recovery. Discrimination against Dalits was common.

### Addressing the needs of vulnerable groups

- Communities were more likely to agree that vulnerable groups need extra assistance than during previous research rounds.
- Engagement with communities and local stakeholders is crucial to ensuring the successful implementation of targeted aid programs.
- A better understanding of vulnerability and specific needs, as well as targeted assistance, is becoming more important as structural discrimination and marginalization is increasingly shaping households' ability to recover. Currently, the government's approach to reconstruction is doing little to facilitate special assistance for particularly vulnerable groups in broader reconstruction efforts.



### Box 6.1: Findings from IRM-1 (June 2015) and IRM-2 (February-March 2016) on protection and vulnerability

**Displacement, staying in temporary shelters, and inadequate needs and damage assessments were major factors increasing vulnerability.** Exposure to monsoon weather, absence of geographic assessments and long-term resettlement plans, and feelings of insecurity while residing in temporary shelters were cited as exacerbating the vulnerability of displaced persons in IRM-1. Further, the haphazard implementation of damage assessments created a situation where many were left out of beneficiary lists, impacting groups such as those who rented rooms in urban areas and producing uneven relief distribution. In IRM-2, those in temporary shelters and of lower economic status remained more vulnerable to illness, physical hardship, and psychological distress.

**Women, children, and the elderly were considered to be the most vulnerable populations.** These groups were identified as vulnerable due to higher incidences of illnesses and distress in IRM-1 and IRM-2. Women often felt insecure due to gender-based violence in public and domestic spheres.

**Psychological distress was common and affecting recovery, especially in severely hit areas.** Distress and fear was common six to eight weeks after the earthquakes (IRM-1) in all research areas. Trauma, stress, and other signs of psychological distress continued to impact recovery in more severely hit areas in IRM-2. However, no sustained counselling programs were reported in any of the wards visited.

**Some had returned to damaged and at-risk land by IRM-2 because of the need to use agricultural and grazing land to continue livelihoods, exposing people to potential harm from landslides.**

**It was predicted that structural inequalities and exclusion would increasingly affect recovery in the longer term.** Structural inequalities and direct discrimination against marginalized groups were less prominent in IRM-1 but there were already signs that this would negatively affect the recovery of already-vulnerable groups in the future as access to state institutions and additional resources would become increasingly important during reconstruction.



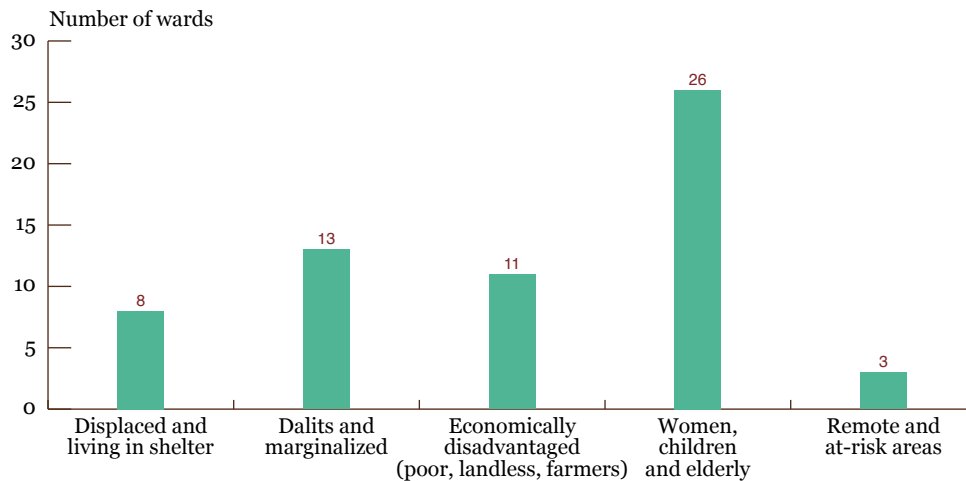
Photo: Anurag Devkota

## 6.1 Vulnerable groups and the challenges they face

In 23 of the 36 wards visited, respondents identified at least one group as being vulnerable in the local context. The main groups identified as vulnerable in these wards are summarized in Figure 6.1. The

responses point to many of the main groups who are vulnerable although some others, such as persons with disability, were not identified by ward residents.<sup>121</sup>

**Figure 6.1:** Vulnerable groups identified by local communities in wards visited<sup>122</sup>



### The displaced and those in temporary shelters

#### ***The displaced and those living in temporary shelters remain among the most vulnerable groups.***

Destruction of houses and damage to land, including fissures and landslide risks, have been highlighted in the previous rounds of IRM as the main issues exposing people to vulnerable environments.<sup>123</sup> In IRM-3,

the displaced and those living in temporary shelters were identified as vulnerable groups by respondents in only 8 of the 36 wards visited. However, observations in the field, as well as the survey evidence, suggest that many people continue to live in shelters in all districts visited and are exposed to some levels of risk and vulnerability.<sup>124</sup> People living in shelters face a multitude of problems: from exposure to harsh weather condi-

<sup>121</sup> One of the most vulnerable groups consistently not identified by local key informants and ward residents in this and earlier rounds of IRM is persons with disabilities. This only highlights the extreme vulnerability of this group as their special needs remain unacknowledged. The IRM quantitative survey contains disaggregated data for those with and without disabilities, allowing for a deeper investigation of the special challenges they face. See, The Asia Foundation and Interdisciplinary Analysts (2017). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 3 – Quantitative Survey (September 2016)*. Kathmandu and Bangkok: The Asia Foundation. For more detailed information on persons with disability, refer to the report produced by UNDP/Social Science Baha: Lord, A., Sijapati, B., Baniya, J., Chand, O., & Ghale, T. (2016). *Disaster, Disability, & Difference: A Study of the Challenges Faced by Persons with Disabilities in Post-Earthquake Nepal*. Kathmandu: Social Science Baha and the United Nations Development Programme in Nepal.

<sup>122</sup> Many wards identified multiple groups.

<sup>123</sup> Most of the people displaced from their land and house were living in temporary shelters on public or rented land. People were observed to generally stay close to their original homes. However, where entire settlements were affected by damage to land or high risks of landslides, local communities had to settle elsewhere in the VDC or even beyond.

<sup>124</sup> The latest DTM update by IOM confirms the finding that the displaced population is decreasing, although they remain one of the most vulnerable groups. However, it should be noted that by IOM's definition, IDPs are those living in 'camps' of 20 or more. So although camp living may have decreased, people living in shelters, by themselves or in smaller groups (less than 20), continue to be observed in all districts. IOM, *Displacement Tracking Matrix Round 8: Nepal Earthquake 2015*. Available online at: <https://drive.google.com/file/d/oB6owQSRCTIGYQjItRXdac3BXR2M/view>

tions and, in the case of the displaced, tensions with the local communities in their new settlements (see Chapter 5.1). In IRM-3, a new trend was increasing vulnerability for these groups: many were returning to damaged houses or landslide-prone land without repairs or land assessments having been conducted (see below).

As in previous rounds of research, various health problems associated with living in shelters were observed in IRM-3. Respiratory diseases, such as asthma among the elderly and pneumonia among children, as well as diarrhea and dysentery due to poor sanitary conditions, continued to be common in temporary shelters. Muliwa Nu Chhiri, a local activist and entrepreneur from Dudhkunda municipality in Solukhumbu, said: “Those people who can afford to are rebuilding their houses, but the majority of the families whose houses were destroyed are living in temporary shelters. The

weather conditions are very harsh, we have had many cases of asthma and pneumonia. People have died of this in our region, but it is not noticed.”

Psychological impacts and an increase in alcohol consumption after the earthquakes continued to be observed in many of the wards visited, especially in severely hit wards, but were less prevalent than before. Psychological distress from seeing one’s homes and belongings destroyed and losing family members has made some turn to alcohol. Beg Bahadur Gurung from Barpak VDC in Gorkha said, “Alcohol consumption is too high after earthquake, some people have lost their lives already because of the excessive consumption of alcohol.” In districts where cash grants were being disbursed to beneficiaries, there were some unconfirmed reports of people using the money for drinking, especially as the Dashain festival season was about to begin.

### Case Study 6.1: Distress and alcohol consumption

Padam Kumari Shrestha, from Syaule VDC in Sindhupalchowk, had been working as an airport cleaner in Malaysia when the earthquake destroyed her house. She returned back after almost a year to rebuild her house with the money she was able to save. Her husband, who was also abroad, was included in the beneficiary list and she was able to sign the cash grant agreement on his behalf, but she does not know how and

through which bank to receive the grant. She described the situation as follows: “Alcohol drinking has increased in village. When I returned from Malaysia I saw the earthquake had destroyed my home, so I started drinking. I could not sleep without drinking alcohol. My mind revolves around how to rebuild my house. I get restless and start drinking again.”

### ***Malnutrition among children was observed by respondents to have increased slightly.***

Malnutrition among children was reportedly increasing in Okhaldhunga—a district where aid distribution was much lower than others in previous rounds—and also in some wards in Sindhupalchowk and Gorkha. Any direct linkage to the earthquake and its aftermath is difficult to find, but some respondents said the increase in cases was due to changing food habits in temporary shelters and lowered harvests after the earthquakes. Sovita Dahal, an Assistant Nurse and

Midwife (ANM), from Prapcha VDC in Okhaldhunga stated: “Malnutrition has slightly increased after the earthquake [...]. Across the VDC, two children are suffering from hard malnutrition and eight are suffering from mild malnutrition. There was only one such case before the earthquake. After the earthquake, parents are not able to follow the feeding schedule for their children. As a result, children are not getting enough nutrition.” Leela Maya Shrestha, another ANM in Katunje VDC in Okhaldhunga, also observed that the earthquake had changed people’s eating habits.

### Returning to damaged houses and at-risk land

***More people were moving back to damaged houses by September 2016, often after only minor or no repairs, and to geologically risky***

***land from where they had been displaced. This increased vulnerability as the houses and land remained unsafe.***



Two monsoons and a winter after the earthquake, the patience of people living in shelters in the earthquake-affected districts was wearing thin. Uncertainties over resettlement plans for the displaced and delays in receiving government assistance for rebuilding led to people moving back to damaged houses and to damaged or risk-prone land.<sup>125</sup> This further exposed already vulnerable households to additional risks such as the collapsing of damaged houses or landslides.

In 20 out of 36 wards visited researchers observed people moving back to damaged houses after minor repairs, and in 10 wards people moved back without any repairs. Some had continued to live in their houses after the earthquakes as they found only minor cracks. However, exposure to winter and monsoon rains have further decreased their instability and led to the collapse of some of those houses. Fatta Bahadur Rapacha, from Katunje VDC in Okhaldhunga, explained: “Some of those houses that only had minor cracks due to the earthquake also collapsed during the monsoon. Recently there was one incident in ward number two where a partially affected house collapsed, badly injuring the single woman living there.” Across districts, some of those who had returned to damaged houses later moved out again into shelters because of the risks and weather conditions, a pattern also reported in IRM-2.<sup>126</sup> Yet, it is likely that the trend of moving back to damaged houses will increase over time as more and more people will find it difficult to cope with harsh weather conditions, discomfort, and uncertainty in the temporary shelters.

Moving back to damaged houses was observed to be particularly common in Solukhumbu and Syangja districts, where the CBS assessment had not yet been conducted and where there was no clarity on whether and when people would receive assistance from the government. Maya BK, a 55-year-old housewife in Dudhkunda municipality in Solukhumbu, expressed her fears as follows: “Repaired houses seem good from the outside if painted but they are risky from the inside. One can see cracks from the inside and we feel fear living in these houses.” In the urban and touristic area of Dudhkunda, many residents resorted to superficially ‘repairing’ their houses and hotels by themselves, so that they could get their businesses running again. Rinji Sherpa, a 55-year-old hotel

entrepreneur from the same ward, also described that she had only filled the cracks of her hotel with mud or painted over them. “I waited for the government’s information and assistance for reconstruction until February 2016 [...] then I repaired my hotel at my own cost by investing NPR 50,000,” she claimed.

In Syangja, many of those living in shelters were found to have moved back into their houses without repairs, especially those from economically disadvantaged groups, including Dalits. In a settlement in Waling municipality in the district, nine Magar families moved back into five fully or partially damaged houses after living in temporary shelters for many months after the earthquakes. Maya Magar, a 60-year-old woman in Waling, said: “Brahmin families in Sirbare [a nearby village] have all rebuilt their houses and are living there. They were able to take loans as they have regular sources of income. But we Magars do not have any fixed source of income and cannot take any loans.” Hum Maya Magar one of Man Maya’s neighbours added, “We need money as promised by the government so that we can construct a new house. Living in the damaged houses never gives us peace, we are always in fear.”

Some of those displaced from their land due to geological risks were moving back or planning to move back, despite significant dangers, mostly due to uncertainty over long-term settlement solutions and discomfort in temporary settlements. Tensions with local communities was also an important factor which particularly affected Dalits (see Chapter 5.1). In Barpak VDC in Gorkha, displaced Dalit families who had been living on public land were thinking of moving back as a health post was planned to be built where they had temporarily settled. “We are displaced from our original place since our house collapsed and there were big fissure seen in the land. So we came here since this is public land. But people did not want us staying here. So we are thinking of going back to our old place after the Dashain festival,” said Kumari Sunar, a 55-year-old woman in Barpak. In Prapcha VDC in Okhaldhunga, the discrimination faced by displaced Dalit families in their temporary settlement has already led to some moving back to their original settlement despite landslide risks.

<sup>125</sup> The government has a policy on resettlement of those affected by disasters, the *Disaster Victim Relocation Operational Guidelines 2014*. However, the law is rarely implemented. In the case of the 2013 floods in the mid-western plains and lower hills, the affected population are still to be completely resettled although additional specific directives for the affected were adopted a couple of years after the floods. This highlights a sometimes lack of political will and ability in the leadership as well as the bureaucracy to address resettlement issues after disasters.

<sup>126</sup> 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. See also the IRM-3 survey report which provides quantitative analysis of this trend.

## Remote areas

***People in remote areas continued to be more vulnerable facing greater obstacles to access aid and rebuilding their houses.***

In IRM-1, remoteness was perceived as a basis for discrimination in relief distribution, with some of those in remote settlements receiving less than those closer to roads. In IRM-3 very little direct aid was being distributed in areas visited, both in remote and more accessible areas. Yet, people in remote places remained more vulnerable. They found it difficult to access cash grants, due to longer travel time and higher costs to reach locations where the required documents are issued and the cash grants are disbursed via banks (see Chapter 3). Costs for transporting construction materials were also higher in remote areas (see Chapter 7.2). Yet, not all remote areas were equally disadvantaged. Areas in Solukhumbu, for example, have received more attention and assistance than remote parts of Okhaldhunga, as already pointed out in IRM-2.

Subba Giri from Kerabari village in Syaule VDC in Sindhupalchowk was displaced from his home and land after the earthquake destroyed his house and the land was deemed unsafe for settlement. Living in temporary shelters was difficult for Giri and his neighbors. Yet, little progress was made in rebuilding as their village is not connected to any road. Road construction had begun but was later halted after a reported case of corruption, reducing any hopes of assuring easy transportation of construction materials and access to health care services for the local people. In the words of a local resident, “[Without the road] we can manage to eat and live, but we may die before time as we cannot reach the hospital on time in case of emergencies. They say that road is included in the VDC planning and budget but the amount is too little so nothing can be done.”

## Marginalized groups and the economically disadvantaged

***Inequality and prevalent forms of exclusion and discrimination negatively affect the recovery of marginalized groups.***

Earthquake impacts observed across affected districts are not experienced equally by all segments of society. As time passes, it is becoming clearer how structural inequalities and prevalent forms of exclusion and discrimination negatively affect the recovery of marginalized groups. This was predicted by the IRM-1 report and the second round of research began to observe the implications of this. At the time of IRM-3, ethnic and class-based differences continued to render some groups more vulnerable. Respondents in 13 of the wards visited identified Dalits and marginalized ethnic groups as the most vulnerable and in 11 wards, the poor, landless, and other economically disadvantaged groups were identified as vulnerable (see Figure 6.1). Lower and more unstable incomes, fewer assets, limited access to formal sources of credit, and owning little land or living with precarious land arrangements were reported as drivers of the higher level of vulnerability of marginalized groups. Dalits were observed to be most vulnerable (see Chapter 6.2 and Chapters 5 and 7).

The landless and those living on public or *guthi* land (trust land, a form of community-owned land) faced particular obstacles and delays in receiving cash assistance as they could not sign cash grant agreements at the time of research due to their lack of land ownership certificates (see Case Study 6.2).<sup>127</sup> There were examples of landless people, and those who do not have legal rights to their land of residence, in all districts visited, but these cases were reported as being more common in Ramechhap district. In Dorambha VDC, and VDCs near the Tamakoshi river, there were many examples of people on the beneficiary list not being able to sign cash grant agreements due to a lack of land registration papers. The NRA focal person for Ramechhap explained that they were already aware of the issue, which was in the process of being addressed. “The NRA has recently issued a public notice for such cases to apply for registration of the land within 30 days in the concerned land revenue or local body offices. We have also circulated information to all VDC and municipality offices, published public notices and advertised in the media.” In December 2016, persons living on public or *guthi* land became officially eligible to receive reconstruction cash grants through special provisions – a significant step toward reducing the vulnerability of these groups.<sup>128</sup>

<sup>127</sup> Special provisions have since been made to make it possible for these groups to receive reconstruction cash assistance. See, The Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2073 (2016) <http://nra.gov.np/download/details/187>

<sup>128</sup> The Procedure for the Reconstruction Grant Distribution for Private Houses Damaged by Earthquake 2073 (2016) <http://nra.gov.np/download/details/187>

## Case Study 6.2: Challenges of rebuilding on *guthi* land

In Doramba VDC in Ramechhap, only 212 of 394 listed beneficiaries had signed cash grant agreements by September 2016. Of the remaining 184 households, 175 were residing on *guthi* (trust) land without land ownership certificates.

In Palate village, which is over an hour's walk from the VDC center, only six of the 60 houses damaged during the earthquake received a Red Card, which villagers referred to as being necessary to receive government assistance. "Although we too were in the beneficiary list, we were not able to sign cash grant agreements as the land we are living on since the time of our ancestors is *guthi* land," said Man Bahadur Pahari. "Those who converted the *guthi* land to *raikar* [private land] and took the land ownership certificate were provided with a Red Card but we did not know about converting the

land. The VDC Secretary said that our problem would be solved after the Dashain festival. Let's see where our fate leads us," he added.

Bishnu Kumari Pahari, an 83-year-old widow, was living alone in a small shed in front of her damaged house said: "I went to the VDC office to receive the Red Card, but they denied me the card. I do not know why but the villagers said that it is because the land I am living on is *guthi* land." She added, "My son has not come home for 14 years. I have heard that he lives with his wife in Kathmandu, but I have no contact with him. My son-in-law has made this shelter for me and if I get the cash grant I will request him to build a house for me." After searching for some paper she came back with the receipt of royalty paid to *guthi* and said, "I gave the Secretary this paper but he said this was not enough."

## Women, children, and the elderly

### ***Women, children and the elderly continued to be seen as particularly vulnerable groups in most wards.***

In 26 of the 36 wards visited, women, children, and the elderly were considered to be vulnerable. They were seen as being more vulnerable to health and safety threats, especially in shelters. Children were also reportedly more prone to malnutrition (see above). Further, psychological trauma among these groups was considered to be higher. Children, in particular, continued to be scared and have difficulties sleeping or concentrating.

### ***Women faced risks of gender-based violence and trafficking.***

Violence against women and girls was reported to have increased after the earthquake in some districts, as highlighted in previous research rounds, although no precise data is available and it is difficult to link this to the earthquakes as gender-based violence is generally common yet often under-reported (see Chapter 5.2). Reports of gender-based violence and increased risk of trafficking were more commonly recorded in Sindhupalchowk. Sancha Maya Syangbo, founder of Mahila Atma Nirbhar Kendra in Melamchi, Sindhupalchowk, said: "Gender-based violence has increased [...]. I have found people being frustrated

after the death of relatives, and also women facing problems in temporary shelters. The data is difficult to trace as victims have to struggle a lot to file a complaint. They lack the knowledge about the procedures that need to be followed."

The number of women making passports was also reported to have increased after the earthquakes, most noticeably in Sindhupalchowk. Gurans Gurung, a counselor at the District Administration Office said, "Most women [who make passports] were unaware of the country they wanted to go to nor did they have any particular skills. People that come to the desk are mostly uneducated who cannot even answer basic questions I ask." Although migration is common and many said they planned to migrate for work if they needed more money for reconstruction (see Chapter 7.5), district-level respondents in Sindhupalchowk thought that this might increase the risk of trafficking, as these women seemed desperate to go abroad to earn a living without knowledge of the risks.

### ***Women's voices were rarely considered as they continue to be underrepresented in local government and other decision-making bodies.***

Women were rarely participating meaningfully in decisions related to aid distribution and reconstruction



Photo: Nayan Pokharel

more broadly. This can be seen as a reflection of the absence of women's voices in local government. The representation of women, where present, was often pro-forma rather than leading to meaningful engagement. Durga Magar, a woman farmer in Prapcha VDC in Okhaldhunga, said, "Regarding women's representation in decision-making, there is very weak participation. Nobody is there to listen to women's

voices, forget about the ability to influence decisions. We have raised issues related to water, development plans, but no one considers our concerns worthwhile." Om Bahadur Ghale, the social mobilizer for Barpak VDC in Gorkha, claimed that illiterate women are often put in positions as a "paper requirement" but are not present to shape decisions in actual meetings.

## 6.2 Dalits

### ***Dalits stood out as a highly vulnerable group in IRM-3, facing economic, social, and structural obstacles to recovery.***

While in IRM-1, Dalits were generally not found to be discriminated against during relief distribution, receiving similar amounts to other groups, discrimination against Dalits resurfaced in IRM-3, becoming even more prominent than during pre-earthquake times in some areas (see Chapter 5.1). Dalits also faced greater obstacles to recovering their livelihoods, generally relying on unstable sources of income, and on finding additional financial and other resources for rebuilding, including accessing loans (see Chapters 7.3 and 7.5). In addition, most Dalits have smaller landholdings and are often not allowed to use community and public lands, which further limits their access to resources. The historical structural marginalization of Dalits from state and financial institutions is compounding the problem (see Chapter 6.3 below). While I/NGOs and others have provided special assistance to Dalits in many areas, no comprehensive efforts exist to counter the

marginalization and vulnerability of Dalits through earthquake-related recovery schemes.

Dalits were observed to be having difficulties recovering in areas with Dalit households in all six districts visited. Displaced Dalit households faced additional burdens of tensions with other communities in resettlement areas (see Chapter 5). In Okhaldhunga, a district that generally received little assistance, the difficulties faced by Dalits were most prominent. In Baruneswor VDC, Dalits were observed to be the slowest group to recover as they did not receive much aid and lacked assets. This was echoed in Katunje VDC, where Dalits have less land and lack other economic opportunities. Dalits in Prapcha VDC were displaced and unable to find suitable long-term resettlement solutions due to discrimination and tensions with local communities and a lack of resources to rent adequate land (see Case Studies 5.1 and 7.3).

Researchers observed one case of Dalits who were unable to cope with their situation. In Dudhkunda municipality in Solukhumbu, a Dalit couple committed



suicide due to severe financial stress, leaving their four children orphans and destitute. Although their debts were only partially related to the earthquake, it was reported that the lack of assets, including land, and income sources increased the couple's debt burden. Indra Bahadur BK, a resident in the same municipality who works as a temporary clerk for Goma Airlines, described the situation of Dalit families as follows: "Most of the Dalits in this ward are extremely poor and largely depend on unpredictable daily wage labor activities for survival. They have very small to no land holdings, the yield from which is, on average, enough to feed the families for only about three months [a year]. Most of the Dalit houses are on a steep slope,

including my own. Last year a landslide occurred just next to my house which damaged the toilet but luckily my house was safe."

BK's situation is common throughout the country with Dalits often living on the outskirts of the town on poor quality and risky land. Similar to women and other marginalized groups, Dalits also face barriers to effective participation in decision-making processes. "No one listens to Dalits' real concerns. Even the few Dalits in decision-making bodies are used as tokens by the political parties to serve their own interests. Even at the local level, our voices are not acknowledged and we have no decision-making power," said BK.

## 6.3 Addressing the needs of vulnerable groups

### ***Communities were more likely to agree that vulnerable groups need extra assistance than during previous research rounds.***

In previous rounds of fieldwork, opposition to targeted assistance was common. Several conflicts in communities related to attempts by non-governmental organizations to target certain groups or areas. In IRM-3, people at the local level were more likely to agree that groups identified as vulnerable needed extra assistance. Of the 23 wards where some groups were identified as being vulnerable, residents in 19 wards mostly agreed that they deserved special assistance. In three of the four wards where residents generally did not agree that the identified vulnerable groups were deserving of targeted assistance, researchers observed that vulnerable groups were not considered as such by others in the community. This suggests that vulnerable groups are more likely to be seen as deserving targeted assistance when others in the community recognize their vulnerability.

Nevertheless, opposition to and tensions around targeted assistance persisted. In Tanglichowk VDC in Gorkha, an NGO had planned to assist the local Chepang community, a particularly marginalized group, with small cash grants. Yet, Gurung and Magar households in the ward were dissatisfied and some Chepangs themselves said that targeted assistance made them uncomfortable. A Chepang man from the ward expressed his discomfort as follows: "We are dissatisfied with the division made on the basis of caste/ethnicity for the distribution of relief. The relief was only targeted at Chepangs, so we split the relief with Gurung and Magars." This blanket distribution, similar to equal relief distribution through the one-door mechanisms active immediately after the earthquakes, appeased most people in the ward. The

VDC Secretary, however, thought that, "instead of covering the entire ward, it would have been better if they had focused on the real needy and disadvantaged groups. They should have coordinated with us if they had trouble finding these groups. It is true that Chepangs are disadvantaged but there are Dalit households who are even more vulnerable."

### ***Engagement with communities and local stakeholders is needed to ensure successful implementation of targeted aid programs.***

Observations from three rounds of IRM research suggest that engagement and coordination with local government and community members in identifying beneficiaries and distributing assistance is important factor in ensuring people are satisfied with the targeted assistance. As discussed above, as the most vulnerable and marginalized groups are in general further removed from the government structures, some coordinated effort with non-governmental bodies may play a role in helping central and local level government bodies better plan and implement interventions targeted at vulnerable groups. However, the long bureaucratic process involved in getting approval for I/NGOs programs may mean that the immediate and urgent needs of the vulnerable population may not get addressed in the near future.

### ***A better understanding of vulnerability and specific needs, as well as targeted assistance, is becoming more important as structural discrimination and marginalization is increasingly shaping households' ability to recover.***

The socio-economic, historical, and institutional structures that discriminate against some groups, making them more vulnerable, also shape the ability

of these groups to recover and to make use of the reconstruction assistance to rebuild their houses. The IRM research revealed that poor and marginalized groups were struggling more than others to access cash and credit to rebuild and recover livelihoods (see Chapter 7). Pre-existing differences and inequality arising from unequal development of some of the earthquake-affected areas compared to other parts of the country, and caste, class, and gender-based discrimination in communities, suggests a need for recovery programs to take drivers of vulnerability into account.

The government's response, however, has done little to identify and address the specific needs of vulnerable groups. This is further compounding the challenges they face in rebuilding and recovering from the impact of the earthquakes. The government's flagship program, the Rural Housing Reconstruction Program (RHRP), focuses on promoting disaster-resilient housing structures (see Chapter 3). As such, it aims at reducing vulnerability in the narrow sense of improving the physical environment. Social and economic factors, such as the historical discrimination faced by many of the groups that were observed to be most vulnerable after the earthquakes, are not directly taken into account. As such, it seems that the RHRP is a necessary but perhaps not sufficient step to integrate vulnerability reduction as important aspect of reconstruction.

The RHRP is implemented largely through existing government offices and institutions such as banks. While the NRA coordinates the program through central and regional offices, the signing of agreements with beneficiaries and collection of complaints is led by local government offices at the district and VDC levels.<sup>129</sup> Traditionally, however, the needs and concerns of marginalized and vulnerable groups are less likely to be recognized and addressed by the government. The lack of representation and meaningful participation of marginalized groups, including women, in local government institutions was observed to continue being a reality in areas visited. Problems of representation in and access to

local government are further compounded as local government bodies and local leaders themselves are often excluded from central-level decision-making regarding the implementation of the RHRP (see Chapters 3 and 4).

With local government offices soon returning to a development-as-usual approach after the earthquakes, rather than focusing on the humanitarian response (see Chapter 4), local government offices had not been directed to identify the needs and concerns of affected households in general and vulnerable groups in particular at the time of the IRM-3 research. During field visits, none of the 18 VDCs reported having any formal recovery plan, and officials pointed out that their main responsibility with regards to the disaster response was to facilitate the central government's housing reconstruction program. Only in six of the 18 VDC visited were local officials able to identify the needs of the VDC/municipality, but none had communicated these with the district level or non-governmental organizations.

Local government offices have been provided limited additional resources for the recovery process and to address the specific local needs of the affected and vulnerable population.<sup>130</sup> Hasta Moktan Lama, a CPN-UML representative in Lisankhu VDC in Sindhupalchowk, described the situation as follows: "There is no special program or scheme on recovery and reconstruction in VDCs. Usually a budget of around 12-13 lakh is allocated to the VDC. After deducting administrative costs, budgets for specific target groups and so on, only around 4-5 lakh remains for development work. When it is divided among nine wards of the VDC, nothing can be done." The lack of funds to rebuild local infrastructure has meant that communities have sometimes had to take rebuilding into their own hands (see Chapter 7.5). Since local government bodies have only limited resources and formal responsibilities to identify and address local needs, an effective response from the government may not be possible even where vulnerable groups have limited access to state institutions.

<sup>129</sup> In early 2017, guidelines were issued to form local committees in VDCs/municipalities led by communities to raise concerns of affected households related to the RHRP and to facilitate the grant distribution process. At the time of research, no such committees existed.

<sup>130</sup> The global evidence on whether supporting existing local structures or creating a new central agency leads to more effective implementation post-disaster reconstruction and recovery programs remains inconclusive. For example, Lewis observes that supplanting indigenous administrative units may result in reduced, "local capacity to identify, assess and to adjust those structural weaknesses that exacerbate vulnerability" (p. 159). See, Lewis, James (1999). *Development in Disaster-Prone Places:*

*Studies of Vulnerability*. London: Intermediate Technology Publications. On the other hand, research on more recent disaster events, particularly in developing countries, has found that the establishment of coordinating reconstruction and recovery agencies has helped facilitate the recovery process and has increased communication and coordination among the many actors involved in reconstruction after large-scale disasters, for example the Rehabilitation and Reconstruction Agency (BRR) in Aceh, Indonesia after the 2004 Indian Ocean tsunami. Fengler, Wolfgang, Ahya Ishan, and Kai Kaiser (2008). *Managing Post-Disaster Reconstruction Finance: International Experience in Public Financial Management*. Policy Research Working Paper 4475. Washington, D.C.: The World Bank.



## Chapter 7.

# Economy and Livelihoods

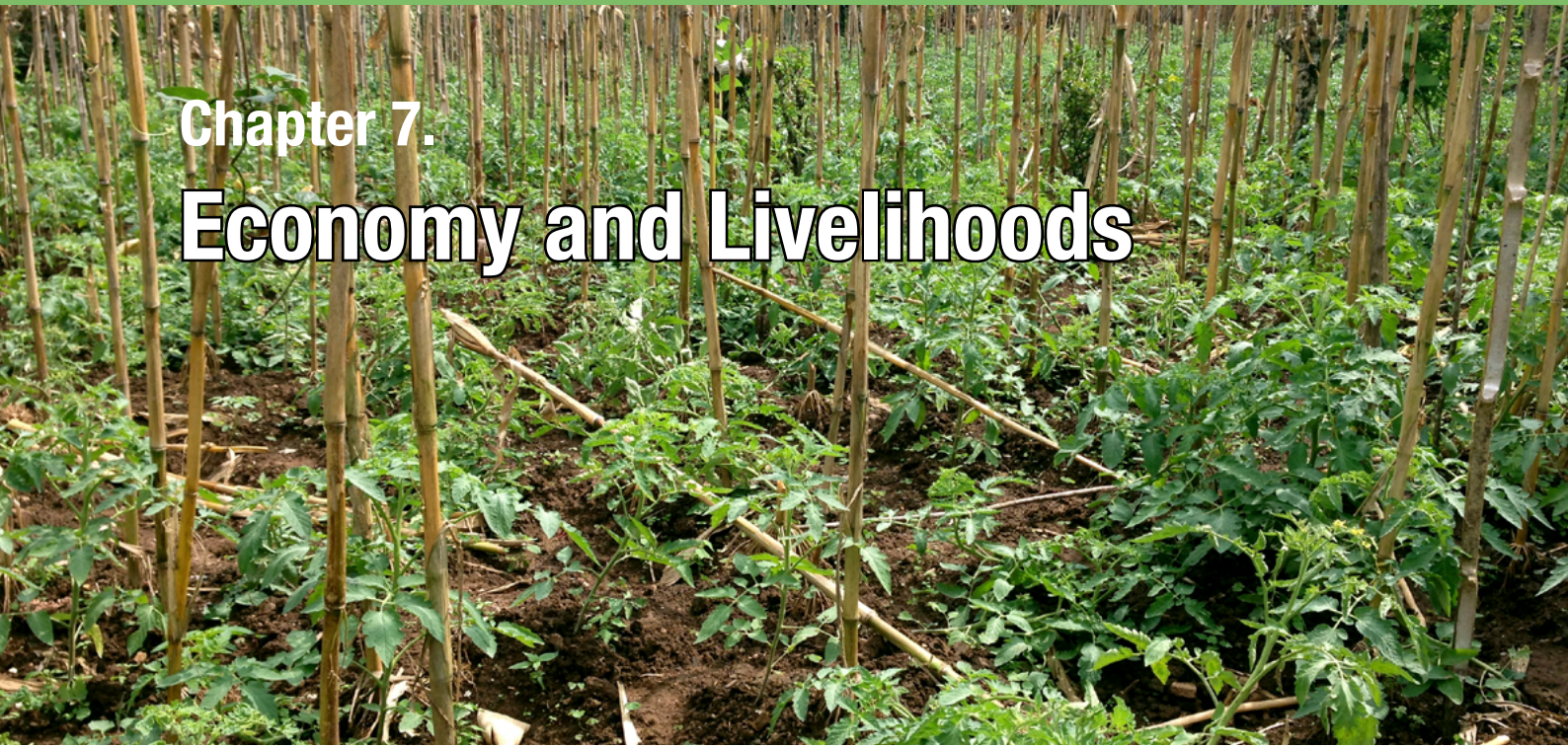


Photo: Binu Sharma

### The context for the recovery of livelihoods

- Livelihoods have been recovering and very few households have changed primary occupation but the long-term impacts of the earthquake could still be observed in September 2016.
- Pre-existing conditions of poverty have shaped differing patterns of recovery. Trends predating the earthquake, such as the move away from agriculture, urbanization, and reliance on remittances from migrant labor, are likely to be reinforced.
- Dalits have been slower to recover their livelihoods and to rebuild their houses, largely due to a pre-existing lack of assets, alternative income sources, and access to credit.

### Impacts on local economies

- Markets were fully operating in areas visited.
- Good rainfall during the 2016 monsoon had a positive impact on recovery of the agricultural sector but negatively affected transportation and travel.
- Prices for construction materials and transportation were significantly higher than before the earthquakes as well as in earlier rounds of IRM, increasing the costs of rebuilding. Higher wages for laborers and water shortages also raised construction costs.

### The recovery of livelihoods

- **Farmers** were the most strongly affected group, in terms of numbers of affected households as well as the nature of ongoing difficulties. Despite

returning to cultivating their land quickly after the earthquakes, farmers are facing significant challenges and continue to be in need of assistance. Water shortages due to insufficient rainfall, the drying of water sources, and damaged irrigation systems affected agriculture in many areas. Livestock farming continued to be affected and the resulting shortage of manure also had implications for agriculture.

- **Businesses** were recovering, with the exception of some small businesses that lost everything and where owners had no alternative income sources. The tourism sector was beginning to recover after long-term disruptions. It was expected that tourism would resume during the upcoming tourist season in late 2016.
- Demand for **wage labor**, especially in construction, increased further.
- Dalits only marginally benefitted from gains in the labor sector despite commonly depending on wage labor as income source.

### Livelihoods support and needs

- Livelihoods support was sporadic and unevenly distributed but widely cited as important need, especially for farmers.

### Strategies for coping with financial stress

- **Borrowing** was very common across areas visited even before the earthquakes but did not increase significantly between IRM-2 and IRM-3. Where it did increase, it was for house recon-

struction, especially in Solukhumbu and Syangja, where the cash grant agreement process had not begun. Many said they would have to borrow more to rebuild but hoped for improved access to low interest loans. Borrowing from informal sources was much more common than borrowing from banks even although interest rates were higher from these sources. Informal sources of lending were seen to be more accessible and flexible and some preferred them despite higher interest rates. For marginalized groups such as Dalits, accessing credit was particularly difficult. Rising debts were a worry for many households and the risks of debt traps were observed to be increasing.

- **Labor migration** is common and has generally continued at similar levels as those before the earthquakes. Migration rates are likely to increase if households struggle to finance the reconstruction of their houses and to pay back loans.
- The majority of households did not have to adjust **consumption and sale of assets** was minimal, mostly limited to livestock. There were isolated cases of households that sold assets to finance reconstruction and more tried to sell but were unsuccessful.
- Communities have taken initiative to rebuild houses and infrastructure themselves to limit impacts on their livelihoods.

### Box 7.1: Findings from IRM-1 (June 2015) and IRM-2 (February-March 2016) on economy and livelihoods

**The earthquakes most strongly affected farmers.** Almost all households in the districts visited are involved in agriculture. Most did not continue farming as usual in the early weeks after the earthquakes due to fears of aftershocks and landslides and because communities shifted their focus to the construction of temporary shelters. Agriculture was also affected because some farmers were displaced while others had to use agricultural land for shelters or had lost seeds, draft animals, or storage facilities.

**Those in agriculture were most in need of livelihoods support.** Most farmers resumed agricultural activities after the 2015 monsoon, in some cases earlier. Yet, farmers were less likely than others to see recovery of their livelihoods by March 2016. Many of the common hardships faced by farmers in rural Nepal were exacerbated by the earthquakes: the drying of water sources, poor irrigation facilities, changes in rainfall patterns, and poor access to agriculture technology, seeds, fertilizers, and transportation facilities. Insufficient rainfall in 2015 negatively affected harvests.

**Most earthquake-affected households were relying on multiple income sources, which has facilitated livelihoods recovery.** Farming households are commonly engaged in multiple occupations with many relying on additional income from small businesses, wage labor, or remittances. Thus, very few have faced a complete loss of incomes. Only a

small number of households have had to change primary occupation after the earthquakes.

**The impacts on wage labor have been positive.** 2016 saw a rise in demand with the beginning of reconstruction and resulting increases in wages for laborers.

**Businesses were hit hard in the initial months after the earthquakes but were recovering by early 2016 – with the exception of tourism.** Some small business owners, however, were unable to recover as no compensation was provided for lost stocks or significant damages to structures or equipment. Tourism businesses struggled more and did not recover within the first year after the earthquakes due to damages to tourism infrastructure and a significant drop in the number of visitors.

**Markets resumed quickly across districts visited.** During the second round of research in early 2016, markets were functioning normally. In many places, markets had reopened within weeks of the earthquakes. A blockade along the Nepal-India border and political protests during the second half of 2015 and early 2016, however, hampered aid delivery and raised costs for basic goods and construction materials.

**Borrowing increased in the first year after the earthquakes, most commonly from informal sources and at high interest rates, revealing the risks of debt**



**traps.** Access to cash and credit were widely cited as priority needs and the rate and volume of borrowing continuously increased after the 2015 monsoon. Many more said they planned to borrow in the future if assistance for reconstruction was delayed further.

**Migration, already a common phenomenon across districts visited, did not show any discernible changes, nor did remittances.** Both were expected to increase, however, to pay for reconstruction or to repay loans.

## 7.1 The context for livelihoods recovery

***The livelihoods of earthquake victims continued to recover between March and September 2016 but challenges remain.***

While the initial impact of the earthquakes on livelihoods was major and widespread, only a limited number of households faced a complete loss of their livelihood. Several factors helped livelihoods recover in the first year after the earthquakes. First, markets reopened within the first few months after the earthquakes and businesses—with the exception of the tourism sector—were able to resume operating, at least to some extent. Second, farming, the most common livelihood in the earthquake affected districts, generally resumed after the 2015 monsoon. And, third, the diversification of incomes commonly practiced by the majority of affected households meant that only very few households lost all of their income sources.<sup>131</sup>

However, challenges remain and most households are still feeling some long-term impacts from the earthquakes as explored below. It is important to note that the resumption of livelihoods does not necessarily mean that people's incomes are at pre-earthquake levels and many households have simply returned to their occupations because they had no other choice. Certain trends predating the earthquake—growing disenchantment with agriculture and increasing rates of rural-to-urban migration as well as labor migration to India and other countries, mainly Malaysia and the Gulf countries—may accelerate further during the reconstruction phase.

***Pre-existing conditions of poverty in earthquake-affected areas set the context for people's recovery.***

Many of those households who have been able to work again since the earthquakes have found themselves continuing to live in poverty. While families have no choice other than to be resilient and to cope with the impacts of the earthquake by working hard, poverty is making full recovery hard for many. Most people in four of the districts studied are living in poverty. In Ramechhap, Okhaldhunga, Gorkha, and Sindhupalchowk, daily per capita incomes are between USD 2.60 and USD 3.00. In Syangja, the average per capita income is USD 3.30 and in Solukhumbu it is USD 5.10.<sup>132</sup> The World Bank considers anyone living on less than USD 3.10 a day as being in poverty.<sup>133</sup> Poverty is disparate within districts, but the poverty incidence is between 51.4%-82.2% in parts of Gorkha, Syangja, Okhaldhunga, Ramechhap, and Solukhumbu, and half of Sindhupalchowk has a poverty incidence between 42.9%-51.4%.<sup>134</sup>

The 2015 earthquakes thus exacerbated hardships people were already suffering. “I was already poor, the earthquake pushed me further into poverty,” said an old Dalit woman in Katunje VDC in Okhaldhunga – a sentiment echoed by many across the districts visited. Not only did the earthquakes force victims to resettle in inadequate shelters, sometimes far from their lands, and affect people's livelihoods, but debt and the risk of poverty traps, not uncommon even before the earthquake, greatly increased for many (see Chapter 7.5).

<sup>131</sup> In the districts visited, households have long relied on multiple income sources in addition to small-scale agricultural production or subsistence farming. The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, pp. 85-93.

<sup>132</sup> *UNDP Human Development Index 2014: Nepal Human Development Report, 2014*. UNDP/NPC.

<sup>133</sup> Revised in 2015, the World Bank categorizes anyone living under USD 1.90 per day as living in ‘extreme poverty’ and those living with USD 3.10 a day as living in ‘poverty’ <https://ourworldindata.org/world-poverty/>

<sup>134</sup> <http://www.un.org.np/node/10125>



Photo: Nayan Pokharel

***Very few households changed primary occupation after the earthquakes.***

There were only isolated examples of households changing their primary occupation despite challenges. Farming, the most common primary livelihood in the research areas, generally resumed after temporary disruptions following the earthquakes. Most households were therefore able to continue subsistence farming—although many farmers were found to be struggling—while also generating additional income from secondary livelihoods such as small businesses, labor, or remittances – as before the earthquakes. Wage labor, however, seemed to become more common with increasing opportunities in the construction sector and those few households who changed primary occupation often came to rely on income from labor (see Chapter 7.3).

***Dalits were slower to recover their livelihoods and rebuild houses, largely due to a lack of assets and alternative income sources.***

As discussed in Chapter 6, Dalits have been particularly vulnerable, unsurprising given that this group is both economically disadvantaged and bearing the burden of structural and social discrimination. Dalit households, unlike other groups, are generally landless and depend on a single, often unreliable, income source such as wage labor. This meant that Dalits whose livelihood were destroyed during the earthquakes, often lost everything. Without being able to fall back on subsistence farming for their daily food supply,

Dalits were also more vulnerable to food insecurity. Further, Dalits are often excluded from access to community forests or water sources. Challenges are even bigger for displaced Dalits. Given the additional difficulties and financial burden for Dalits, many were found to have recovered more slowly than others in the areas visited. In several locations, Dalits received targeted aid but in the absence of comprehensive livelihoods assistance, and with Dalits and other marginalized groups facing greater obstacles accessing the reconstruction cash grants (see Chapter 3), Dalits remained disproportionately affected.

***Much-needed livelihoods support was sporadic likely due to the focus on reconstruction cash grants and soft forms of assistance.***

As described in Chapter 3, the bulk of government and donor attention has been focused on the distribution of cash grants for the reconstruction of private houses, seemingly to the detriment of other forms of technical and livelihoods assistance. I/NGOs who could have filled this gap were focusing on so-called ‘software’ programs such as trainings, awareness raising, or education (as opposed to ‘hardware’ programs involving building infrastructure), increasing dissatisfaction with and resentment against I/NGOs. Comprehensive, widespread schemes to assist livelihoods recovery were found to be missing in the districts visited. Where I/NGOs did provide livelihoods support or other direct aid to assist recovery, this was limited to certain wards or VDCs – and often to a small number of households (see Chapter 7.4).

## 7.2 The recovery of local economies

### ***Markets were fully operating after the end of the blockade in early 2016.***

Between mid-2015 and early 2016, the local economy was affected in some areas by the impact of political protests and an economic blockade along the Nepal-India border and the resulting fuel crisis. Prices for goods and transportation generally rose while some goods became entirely unavailable.<sup>135</sup> In September 2016, when IRM-3 was conducted, however, markets across districts visited were reportedly fully functional and shops and bazaars in the rural villages and urban centers visited by the research teams had generally resumed business as normal. Some markets even continued to see an increase in business after the earthquakes due to the high presence of relief workers and the activities of organizations delivering aid, especially in bazaars or district headquarters in Gorkha and Sindhupalchowk. The impact of the earthquake on markets, exacerbated in the second half of 2015 and in early 2016 by the blockade, was thus only temporary.

### ***Good rainfall during the 2016 monsoon had a positive impact on the recovery of the agricultural sector but raised transportation and travel costs.***

In 2015, insufficient monsoon rains affected harvests. During IRM-2, farmers frequently highlighted problems of drying water sources and the need for

better irrigation facilities. These issues continued to be raised during IRM-3 but were less prominent as the 2016 rains were good (it is important to note here that IRM-2 research was conducted in the dry season while IRM-3 research was conducted at the end of a good monsoon). Given better rains, more farmers were able to resume planting crops at pre-earthquake levels during the 2016 monsoon. Many of those who had been struggling in the early months after the earthquake, and even in February-March 2016, were found to have fully resumed farming by September 2016 (see Chapter 7.3).

Heavy monsoon rains, however, also meant that the transportation of goods and people became more difficult and more expensive. During IRM-3, rainfall or monsoon-related landslides had rendered many roads inaccessible or only partially accessible across districts visited. This increased the costs of goods, especially construction materials as trucks and other larger transporters could not pass and goods often had to be carried by porters (see below). Further, those having to travel to access aid, especially the housing reconstruction cash grants, faced greater difficulties reaching their destinations both because of the lack of availability of transportation as well as increased costs (see Chapter 3). Therefore, the positive impact of the easing of the blockade along the Nepal-India border on the economy and reconstruction was somewhat offset by the 2016 monsoon.

### **Case Study 7.1: High transportation costs during the monsoon affect reconstruction**

The house of Pranay Rai from Nele VDC, which was made from mud, stone, and wood, was damaged during the second major earthquake of 12 May 2015. He decided to build a semi-concrete, earthquake-resistant house before the 2016 monsoon. “It looked like I would have to wait for years to receive anything from the

government, and living in a half-damaged house was risky and also hampering my [electronics] business,” he said. “So I arranged for some loans from local saving organizations, and some from my friends and family, to add to my savings and started building the house in June.”

<sup>135</sup> 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, p.10. For more information on the impact of the blockade on markets and recovery see also,

The Asia Foundation and Interdisciplinary Analysts (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 2 – Quantitative Survey (February and March 2016)*. Kathmandu and Bangkok: The Asia Foundation.



The timing for the construction of his new house meant that transportation costs for construction materials were unusually high, having increased drastically during the monsoon. Nele VDC, although an important market center about 18 kilometers east of the district headquarters, is only connected by a dirt road, which is frequently affected during the rainy season. Only tractors can occasionally drive on the road during the monsoon. As a result, the costs of transporting goods to the VDC from outside increases during the monsoon months.

“We transport cement from Okhaldhunga Bazaar [about 65 kilometers from Solukhumbu’s district headquarters] at two Rupees per kg during the dry season when the transportation is normal and uninterrupted, but now we pay seven Rupees per kg,” Rai said. This means an additional 100 to 250 Rupees per 50 kilogram sack of cement – an increase of 150 percent. The transportation cost of other materials like tin sheets, iron rods, and metals were also disproportionately high in Nele during the monsoon. “I will have spent over one lakh extra only in

transportation costs by the time I complete the house,” Rai complained. “What use is the two lakhs that the government is throwing at us?” Rai can afford the higher transportation costs due to a regular income from his electronics business. But many other households in the VDC have fewer resources.

Tilak BK from Nele VDC said, “Everything has become extremely expensive – from wages for masons and construction workers to wood and stones, and transportation. I have to look after a family of five and, I don’t have a regular source of income as I depend on daily wage labor for half of the year. If the government does not provide us assistance, I will have to bear the burden of the loan for years.” He said this despite having received two lakhs in cash assistance from an individual donor who supported the rebuilding of many of the damaged houses in Nele. “We got two lakhs but ended up spending three more lakhs which we had to borrow from money lenders and savings groups,” he explained.

***Construction costs were significantly higher, increasing the financial burden on earthquake victims; the reasons for increased costs were transportation issues, rising wages for laborers, higher demand for materials, and water shortages, as well as new technical and material requirements imposed by building codes for earthquake-resilient houses.***

Access to construction materials directly affects homeowners’ ability to recover and rebuild (see Case Studies 7.1 and 7.2). As such, the functioning of markets is a positive factor. High costs for raw materials, however, made recovery more difficult and expensive for many and access to credit even more urgent than during IRM-2.<sup>136</sup> Across districts visited, people highlighted that construction costs had increased compared to pre-earthquake times, in many remote places drastically higher. Monsoon-related transportation difficulties, as well as the high demand for construction

materials, increased costs by September 2016. High wages for laborers also raised overall costs for house reconstruction (see Chapter 7.3).

Materials that are often not locally available in rural Nepal, such as cement, bricks, iron rods, corrugated iron, or sand, were particularly expensive largely due to increased transportation costs. It is these materials, however, that are required to rebuild houses according to the official guidelines for earthquake-resilient buildings. The guidelines have to be followed if homeowners want to receive further installments of the reconstruction cash grant for private houses.<sup>137</sup> To illustrate, each truck or tractor transporting sand from Manthali, Ramechhap’s district headquarters, to Bamti Bhandar VDC cost NPR 10,000. The first installment of the cash grant—NPR 50,000—is therefore insufficient to construct even one pillar. One person in Bamti Bhandar VDC, Ramechhap stated: “There has been a price hike for construction materials, for

<sup>136</sup> The Asia Foundation (2016). *Independent Impacts and Recovery Monitoring Nepal Phase 2 (February and March 2016) – Synthesis Report*. Kathmandu and Bangkok: The Asia Foundation.

<sup>137</sup> Grant Distribution Guideline for Completely Destroyed Private Houses by Earthquakes 2073 (January 2017). <http://hrrpnepal.org/resources-documents/government-documents/grant-disbursement-procedures-for-private-houses-2073-unofficial-translation/>



## Case Study 7.2: Community forests and the use of local resources for reconstruction

The Urgen Challeng community forest of Banti Bhandar VDC in Ramechhap is the major source of timber for people in the VDC. Yet, the District Forest Office (DFO) suspended access to the community forest for a period of two years in June 2015. People reconstructing their houses have since been compelled to buy wood. “The wood crisis is the problem of the entire VDC. Our community forest has been suspended [...] and we cannot get wood from anywhere else, we have to buy it,” said a local farmer. Pema Nori Sherpa, chairman of the community forest user’s group, explained: “Our policy allows us to cut 10,384 square feet of wood from the community forest each year. Had we been able to cut down trees, more than 350 households would have benefited from it for the reconstruction of their houses.”

The decision of the DFO to suspend access to the community forest was considered unfair by the local community who felt they were being punished for the concentrated felling of trees rather than cutting too many trees. Felling was concentrated due to fears of aftershocks rather than as a deliberate violation of the rules. After the earthquake, people were too scared to go deep into the forest amid continuous aftershocks and decided to cut trees nearer to the road. However, when a government official noticed this, the CDO and DFO were informed,

an investigation made, and access to the forest was temporarily suspended.

The District Forest Officer, Kedar Nath Poudel, confirmed that “Their mistake was of concentrated felling only; they did not extract more than the annually allowed amount.” He pointed out, however, that his office was lenient with the forest user group because of the earthquakes. Normally, the group would have faced a punishment more severe than a two-year suspension and an order to plant 25 times as many trees as had been felled. But locals and their leaders were of a different opinion, highlighting that the state could improve coordination between government offices to allow exceptions that would help victims recover. “We have already forested that amount of the trees but they have not released our suspension yet,” complained Pema Nori Sherpa. “The District Forest Office should have understood the situation and warned the user group but they directly suspended the user group for two years. It is not fair for the people of the VDC,” said Chuda Mani Shrestha, VDC Acting Chairman of Nepali Congress. Another local leader, Surendra Basnet, VDC President of CPN-UML, agreed: “They should immediately revoke their decision. For the simple mistake of people due to fear of earthquakes, the DFO is now punishing the entire VDC.”

example increases in the prices of cement, sand, and zinc sheets. It’s also very difficult to bring these construction materials to the ward because of the lack of proper roads.” In Barpak in Gorkha district, too, many complained about the fact that construction materials have to be transported from the district headquarters, posing challenges during the monsoon months when there is no road access and costs for porters are extremely high. One resident in Barpak remarked that, “The amount [of the first installment] is not enough given that there is a rise in the price of stone, sand, and transportation costs.”

The quality of roads determined whether transportation was more difficult during the monsoon and therefore more expensive. In Solukhumbu, for example, where cash grants had not yet been distributed, rising transportation costs for construction materials

and other goods affected all wards visited, including remote wards of Salleri, the district headquarters and Solukhumbu’s only municipality (see Case Study 7.1). A permanent road connects Salleri to Okhaldhunga district. All other roads in the district, however, are temporary and are often damaged during the monsoon months. With some of the earthquake-affected villages more than a three-day walk from the district headquarters, transportation of aid and construction materials has been one of the major reconstruction-related difficulties in the district. “It is Solukhumbu’s biggest challenge. We realized how extremely difficult it was for us to distribute relief after the earthquake,” said the Assistant CDO. “We had to use extra money from the DDC for the transportation of relief.”

Water shortages are also increasing costs for reconstruction. Water is needed in large amounts for the

construction of cement houses. Yet, water shortages were common in the research areas (see Chapter 7.3). As a result, some households have had to buy water for the construction of their houses. For example, in Ramechhap municipality, where availability of water is a major issue, one resident had to spend NPR 65,000 to buy water to construct his house. Given that water shortages were common across VDCs visited, it is likely that many more will have to pay for water for the construction of their houses.

In several areas, even locally available materials such as wood or bamboo had become more expensive due to high demand and restricted access to community forests.<sup>138</sup> In Dudhkunda municipality in Solukhumbu district, Dalit respondents have been excluded from the community forest user group since before the earthquake. They said that since they cannot use the wood from the community forest, they would have to purchase wood, increasing their financial burden and

rendering recovery more difficult. The availability of wood and other local construction materials is also a concern for other communities. In Doramba VDC, Ramechhap district, people were concerned that the community forest will not allow people to collect or buy wood, which they need for the reconstruction of their houses. Out of 11 citizens interviewed in ward 3 of Doramba VDC, seven said that access to construction materials was an urgent need. In Bamti Bhandar VDC in Ramechhap district, access to the only community forest has been suspended and the 350 households in the VDC are now forced to buy wood from outside at a higher cost while 49,000 square feet of wood remains unused in the forest. Similarly, the availability of wood is also a major concern of the Hayu community living in a lower ward of Ramechhap municipality. Although they are members of the community forest, the District Forest Office has not given them permission to cut trees for house reconstruction.

## 7.3 The recovery of livelihoods

### Farming

***Farming was only temporarily disrupted. Disruptions to farming caused by the earthquakes were short- to medium-term in the majority of wards.***

With the vast majority of households in the districts visited involved in agriculture—95 percent in severely hit districts—farming experienced the most widespread impact in the initial months after the earthquakes. Farming was only temporarily disrupted, however, and farmers resumed their livelihood faster than other occupational groups. Most returned to farming during the 2015 monsoon or even earlier with the exception of those who were displaced, or who had lost a family member or draft animals. These groups found it more difficult to fully resume farming, especially in more severely hit areas (see below).<sup>139</sup> The resumption of farming did not, however, equate to full recovery and many farmers have been struggling since the earthquakes for a variety of reasons (see below).

Of the 36 wards visited, long-term disruptions (over nine months) to farming were observed in only four wards, and medium-term disruptions (three-nine months) were observed in seven wards. In the other 25 wards, farming was either only affected in the short-term (for less than three months) or not affected at all (11 wards) (see Figure 7.1). Yet, in many wards where farming in general was continuing after only brief disruptions, there were still individual households that continued to struggle to resume farming to pre-earthquake levels (see below).

Nearly all of the wards where farming was disrupted in the medium or long-term are in severely hit districts: Sindhupalchowk, Gorkha, and Ramechhap. In one ward in Okhaldhunga, farming was affected for over nine months due to damages to the land and, in particular, the displacement of farmers. And in one ward in Solukhumbu, farming was disrupted beyond the first three months after the earthquake due to damages

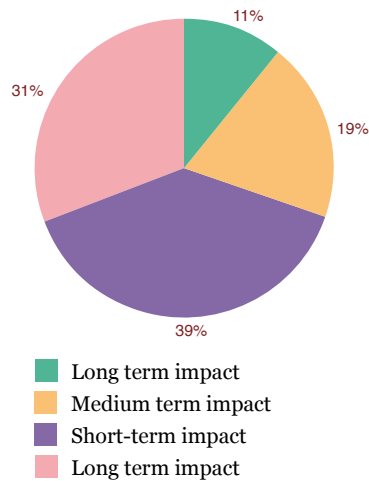
<sup>138</sup> This is despite government guidelines on access to wood for earthquake victims. [http://www.hrrpnepal.org/media/126088/170111\\_directives-for-the-harvesting-supply-and-management-of-wood-2072-2016-\\_unofficial-translation.pdf](http://www.hrrpnepal.org/media/126088/170111_directives-for-the-harvesting-supply-and-management-of-wood-2072-2016-_unofficial-translation.pdf)

<sup>139</sup> The IRM-1 and IRM-2 reports provide more details on the recovery of farmers and the observed advantages of mixed income strategies of agricultural households. See, The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery*

*in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015).* Kathmandu and Bangkok: The Asia Foundation. And 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.

to the land. In Syangja, where the impact of the earthquakes was limited, farming was not disrupted.

**Figure 7.1:** Percentage of wards where farming was disrupted in the long, medium or short-term, or not affected



***Households whose land was damaged and those who were displaced or lost family members were generally unable to fully resume farming even 18 months after the earthquakes.***

While farming had recovered in most VDCs, some households had more difficulty recovering. The geological impacts of the earthquakes on agricultural land and the displacement of farmers continued to affect some agricultural households in more severely hit areas in all districts visited except Syangja by September 2016. Damages to land were affecting some farmers in wards in Solukhumbu, Ramechhap, Solukhumbu, Sindhupalchowk, and Okhaldhunga.

For example, in a ward in Bamti Bhandar VDC in Ramechhap, cracks in the fields caused by the earthquakes, in combination with water shortages, reportedly led to a decrease in agricultural harvests of 30-40 percent. Previously affected households in this VDC had been able to earn money from selling their agricultural products while after the earthquakes they only harvested enough for household consumption. In Baruwa VDC in Sindhupalchowk, around 80 households displaced across the VDC reported difficulties storing harvests due to a lack of storage space.

In Prapcha VDC in Okhaldhunga, several households were displaced due to fissures and cracks in the land

caused by the earthquakes and the resulting risk of landslides. Most of those whose agricultural land was destroyed by landslides started renting land to cultivate. But at least one displaced household had completely abandoned farming, shifting to wage labor instead. A displaced Dalit whose land was destroyed said he used to grow enough on his land to feed his family for at least three months a year but now had to purchase food for the entire year. Another resident of the VDC said, “The earthquake is still affecting our lives. We used to harvest enough to eat for six months but now it is only enough for three months.” All displaced households from the affected settlement in Prapcha initially lived in a community shelter far away from their land. They have since moved closer, but the distance to their farmland is still far. As a result, farming continued to be difficult even for those whose agricultural land had not been completely destroyed; they have also had to rent land closer to their farmland (see Case Study 7.3).

Farming households that lost members during the earthquakes were still struggling in September 2016, particularly in severely hit districts, due to the lack of manpower as well as psychological impacts. In the initial weeks after the earthquakes, fears and stress prevented farming as usual in nearly all earthquake-affected areas in addition to other factors such as farmers being preoccupied with building temporary shelters.<sup>140</sup> While most farmers soon overcame their fears and returned to their fields, families that suffered losses reported still feeling ‘terror’, ‘sadness’, and ‘joylessness’ and being unable to fully resume farming due to the lasting impacts of their trauma. In two wards in Sindhupalchowk, many households that were only partially engaged in agriculture in mid-2016 reported that the loss of loved ones was preventing a return to life and work as usual. A resident in Baruwa VDC said: “Only 50 percent of farming is done this year. All people are sad as the earthquake killed our dear ones, destroyed our houses. Life has changed, everyone is sad.” Many others in Baruwa and Syaule VDC in Sindhupalchowk reported that only part of their land was cultivated, and agricultural production reduced, because of the trauma of the earthquakes and continuing fears of aftershocks and landslides.

In addition to psychological factors, the loss of labor also reduced families’ ability to fully resume farming. In three wards in the severely hit districts the loss of

<sup>140</sup> The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, pp. 88-93.

labor due to deaths from the earthquake was cited as a factor affecting farming in the long term (one ward in Barpak VDC, the epicenter of the earthquake, one in Ramechhap and one in Sindhupalchowk). One resident of Baruwa VDC said: “I lost my wife so I have to look after my children. My wife had taken the responsibility of farming and housework before so I could freely work in the carpet industry. This year I have cultivated only the land near my house; other cultivable land has remained barren.”

Other factors directly related to the earthquakes that continue to affect farming are the construction of temporary shelters on cultivable land, damage to agricultural land and landslides risks, displacement and long commutes from shelters to the fields, a lack of space to store harvests, and the option to earn higher wages from construction work. The drying up of water sources and damages to, or the absence of, irrigation were also commonly cited but could not always be directly attributed to the earthquakes (see below and Figure 7.2).

### Case Study 7.3: A displaced Dalit is struggling to resume farming

Prem Bahadur Sarki’s house was fully damaged during the earthquakes and his agricultural land was damaged by cracks and is at a high risk of landslides. He was displaced along with another 40 households (20 of them Dalit families) from his settlement in Prapcha VDC, Okhaldhunga. The Dalit households were resettled by the government in temporary shelters far away from their settlement. This introduced some tensions with the local community nearby and also made farming difficult due to the lack of shelters for seeds, harvests and livestock and the long distance to their land.<sup>141</sup>

Prem Bahadur said he faced problems managing his livestock and fields from the temporary shelter: “I was living in one place and my livestock were in another place. [...] I want to go back to my own place but I cannot because the area is prone to landslides.” To be closer to his land and have more space for his cattle, Prem Bahadur left the temporary shelter provided by the government and moved to an upper caste settlement closer to his land. There, he rented a small plot of land to construct a new temporary shelter for his family and a shed for his buffalo.

But this land was small and Prem Bahadur had to rent yet another piece of land to collect grass for his buffalo and firewood for cooking, further adding to the financial burden imposed by the destruction of his house and land.

Prem Bahadur continued to farm his own land despite risks and being scared. “If I don’t cultivate my land, I don’t have enough to eat. If I cultivate, I risk my life because of landslides,” he said. Indeed, during the heavy monsoon rains, a landslide swept away whatever land he had left. He pointed to the hill on the other side and showed a small patch of land. “I had planted maize with difficulty on my land but the landslide swept away everything,” he explained.

Prem Bahadur is concerned that even with the cash assistance provided by the government, he may not be able to rebuild as he no longer has any land. He said, “Where will I build my house even if I receive money and will I be able to receive money if I don’t build a foundation?” Referring to his debts of over NPR 50,000 he exclaimed, “I am in a state of despair, will the government understand the plight of people like us?”

### **Many farmers were struggling and in need of support despite returning to cultivating their land after the earthquakes.**

Farming was only temporarily disrupted in most places and farmers’ ability to cope in the aftermath of

the earthquakes was enhanced by the fact that most also relied on other sources of income such as small businesses, daily wage labor, or migration. Nevertheless, over the longer term it has become clear that even without the complete loss of incomes, farmers are facing significant difficulties that may prevent full

<sup>141</sup> See Case Study ‘Resettlement and caste – different responses of displaced communities in Okhaldhunga’, The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery*

*in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 69.

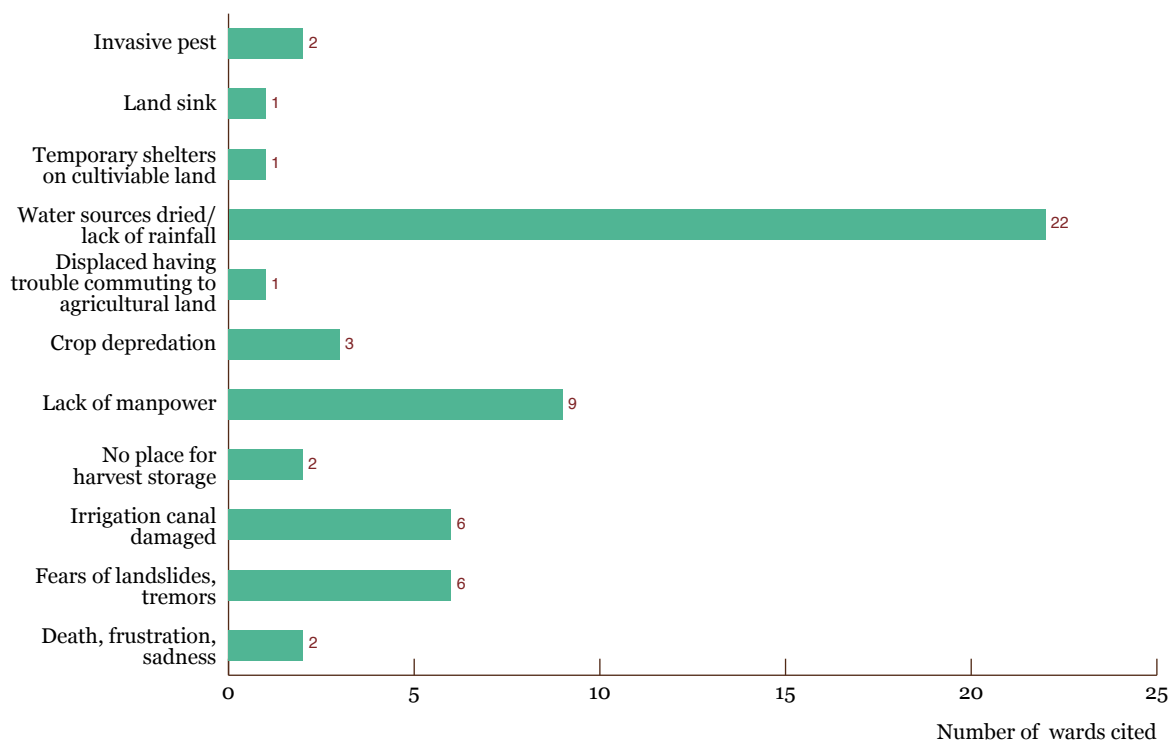


recovery. As reported in IRM-2, general hardships faced by farmers in rural Nepal were exacerbated by the earthquakes.<sup>142</sup> Pre-existing conditions of poverty (see Chapter 7.1), and other factors such as water shortages and a lack of irrigation, have become more significant since the earthquakes, making it even harder for farmers to overcome the consequences of the quakes and other obstacles. It is therefore unsurprising that farmers in the wards visited said that yields have decreased, sometimes up to 30 percent, but that they were often unable to distinguish whether this was because of the impact of the earthquakes or due to other unrelated difficulties.

Farmers commonly cited a variety of issues that are affecting farming, many of them not caused by the earthquakes (see Figure 7.2). Water related difficulties

were most common, but other factors also significantly lowered agricultural production. Crop depredation was reported in VDCs in Sindhupalchowk and in Doromba VDC in Ramechhap. In Sindhupalchowk, this was due to monkeys and boars eating the maize farmers had planted. Some attributed this to the fact that much of the land had been left barren and others due to the proximity to the Langtang National Park, where preying animals cannot be killed. Fortunately, an invasive insect, *fauji kira*, that affected agriculture in one VDC in Solukhumbu and one in Okhaldhunga during IRM-2 had been eliminated. Impacts on livestock and the resulting lack of manure and fertilizers were also reported (see below). In severely hit districts, farmers often struggled to store harvests as sheds and houses were destroyed, especially in Sindhupalchowk (see Case Study 7.9).

**Figure 7.2:** Factors affecting farming after the earthquakes (at any point between June 2015 and September 2016) by number of wards in which they were reported<sup>143</sup>



<sup>142</sup> 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, pp. 63-64.

<sup>143</sup> Some of these factors existed even prior to the earthquakes. Some wards listed several factors.

***Water shortages due to insufficient rainfall, the drying of water sources, or damaged irrigation systems affected agriculture in many areas.***

Aside from the cases where the earthquakes damaged irrigation infrastructure (in six wards), it is difficult to directly attribute water shortages to the earthquakes. Yet, the lack of water and irrigation systems also has an impact on farmers' ability to recover from the disaster. As the 2015 monsoon was unusually dry, farmers frequently mentioned a 'water crisis' in IRM-2, which, in combination with the disruption caused by the earthquakes, had led to lower than usual harvests.<sup>144</sup> In mid-2016, however, rain was plentiful if a little delayed, and rain-fed agriculture flourished compared to the previous year. Two-thirds of Nepal's agricultural production is rain-fed and, without irrigation infrastructure, agriculture depends on the annual monsoon rainfall and some winter rainfall.<sup>145</sup>

In many areas, water shortages had already affected farming before the earthquakes, especially in the dry season, and have continued to do so since. In 22 of the 36 wards visited, shortage of water and the drying of water sources were given as a factor that affected agricultural production even after the plentiful monsoon of 2016, most notably in 11 wards where farming was not affected by the earthquakes. In Syaule VDC in Sindhupalchowk, the drying of water sources lowered harvests in addition to crop depredation. Lack of irrigation and low rainfall in 2015 also led to poor agricultural production in Dhuwakot VDC in Gorkha. Similarly, in Tanglichowk in Gorkha, farmers found that their vegetables dried in the fields in 2015. Farmers there said they are interested in vegetable farming but the lack of a reliable source of irrigation is preventing success. Yields were also reported to have decreased by 20-30 percent in Doramba VDC, Ramechhap, due to water shortages and in Ramechhap municipality, two different drinking water sources for over 70 households—the Dharti Muhan and Kalapani—had dried up. In Baruneshwor VDC in Okhaldhunga, around 400 households have been affected by interrupted irrigation. A new water source had emerged but dried up in the summer of 2016, affecting irrigation and farming.

The emergence of new water sources also caused problems in isolated cases. In a ward of Nele VDC

in Solukhumbu, a new water source emerged in the middle of the fields and caused some land to sink. While this only happened during the 2016 monsoon, residents attributed it to the earthquakes as it had never occurred before. The damaged plots of land belong to the marginalized Dalit settlement in the VDC.

***Earthquake impacts continued to affect livestock farming and the reduced availability of manure has had implications for agriculture.***

Most households involved in agriculture are also engaged in animal husbandry, which continued to experience the impacts of the earthquakes due to losses of livestock, collapsing of sheds, limited space in temporary settlements, and limited water and fodder for the remaining animals. In four of the wards visited, animal husbandry was significantly affected, especially in Gorkha. Across the districts, several farmers' ability to raise livestock was reduced by the earthquakes, especially for displaced farmers and those whose houses and sheds were destroyed (see Case Study 7.3). For example, in Barpak VDC, Gorkha, those rearing goats were affected as their sheds collapsed and many goats died. As many moved to their land for shelter, they did not have enough space for animal sheds. In some cases, people even had to set free their animals, for example in Baruwa VDC in Sindhupalchowk. Water scarcity further affected livestock as it led to poor quality grass. In Tanglichowk VDC in Gorkha, and Baruneshwor VDC in Okhaldhunga, animal husbandry was affected due to a lack of grass.

Farming was indirectly affected by these impacts on livestock not only because draft animals were killed but also because there was less manure available. One farmer in Barpak VDC, Gorkha, stated, "Since my cattle died in the earthquake, I cannot cultivate my land as I have no fertilizer and I have given up cultivating." He focused instead on collecting stones to rebuild his house. Other farmers in the same VDC echoed this with two other respondents saying they gave up farming due to the death of livestock and insufficient manure. "We used to rear cattle and goats. But they were trapped and died in the earthquake and now we have no dung to use in agriculture, so we gave up farming," explained an old woman in Barpak. In Baruwa in Sindhupalchowk, a lack of manure was attributed to the fact that some livestock died during the earthquake and some were since set free.

There were isolated examples of livestock businesses being affected by the earthquakes. For example, in Waling municipality, Syangja, a Magar family used to rear pigs until the sty was destroyed in the earthquakes. In Arukharka VDC in Syangja, Jay Narayan Poudel ended his poultry business after the earthquake as his house was damaged so badly that the family had to move to the cottage where the chicken had previ-

<sup>144</sup> 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.

<sup>145</sup> Water Resources Strategy, Ministry of Education, Government of Nepal. [http://www.moir.gov.np/pdf\\_files/water\\_resources\\_strategy.pdf](http://www.moir.gov.np/pdf_files/water_resources_strategy.pdf), accessed 1 December, 2016.

ously been raised. Renuka Chepang in Tanglichowk VDC, Gorkha, on the other hand, started a poultry business after the earthquakes. At the time of IRM-2, she had turned her uninhabitable house into a poultry cage, while living in a temporary shelter herself. Unfortunately, the poultry was not very profitable and Renuka's family's tin shelter ('tunnel house') was

inadequate for the hot season. So the family discontinued the poultry business and temporarily moved back into the remains of their house until they are able to rebuild it. Others were able to begin livestock farming businesses after the earthquakes but often only by taking loans (see Case Study 7.4).

#### **Case Study 7.4: A migrant laborer returns home to start a poultry business**

Rajan Bahadur BK, a young resident of Baruneshwor VDC, Okhaldhunga, dreamt of starting a business in Nepal after spending eight years working aboard. He had nearly finished building a shed for raising poultry when the first earthquake struck. But he did not lose hope and began his poultry business with 250 chickens, later expanding to 650 chickens and 20 pigs. But Rajan had to borrow NPR 800,000 from village moneylenders at high interest rates. His request for a loan from the Agricultural

Development Bank was rejected because he had no collateral. His own house, which had cost him NPR 600,000 to build, was destroyed during the earthquake. He was able to make some repairs but said, "I am facing the challenge of managing the house and my family and at the same time continuing my business. I am hoping that I can do something [...] Let's see. I want to struggle and expand my business here. But if I am unsuccessful, I may have to choose to go abroad again."

***A limited number of farmers have replaced agriculture as their primary source of livelihood, as most have a lack of other options, but some have diversified their income sources since the earthquakes.***

Across areas visited, a growing disenchantment with agriculture was reported. Many farmers said they were not opposed to changing livelihoods, even prior to the earthquakes, but that they had no alternatives. Several pointed out that it is not easy to change profession in the village, where there are no options to earn money other than through agriculture, especially in remote areas. It is for this reason that they had to return to farming after the earthquakes. As Sitamaya Tamang from Katunje VDC, Okhaldhunga, said: "Even if the earthquake damaged my house, I don't have a choice but to farm my land. I was farming before the earthquake and I am farming now." Another resident from the same VDC speculated: "People might change occupation if they have other options but the VDC does not offer any alternative economic activity, so people

are compelled to go back to agriculture and livestock farming because of the lack of choices." Many farmers therefore returned to subsistence farming after a temporary disruption.

In none of the 36 wards visited were significant changes in primary livelihood reported. Some farming households, however, have added income sources after the earthquakes. Where possible, agricultural households have opened small businesses, such as small shops. Lorke Tamang's wife in Syaule VDC in Sindhupalchowk, for example, started a small shop in early 2016. Lokte Syangbo, Samjhana Tamang, and Aaite Syangbo Tamang have started new shops in Baruwa VDC in Sindhupalchowk. Radhika Pokharel from the same district opened a small restaurant after being displaced. Previously, she was only involved in agriculture. Research teams found only isolated examples of households who stopped farming altogether after the earthquakes. As discussed above, the main reasons for stopping farming were displacement or the loss of family members and farm animals.

#### **Businesses**

***Businesses have almost fully recovered, but some smaller business owners who had lost everything had difficulties recovering.***

Markets were fully operating again in September 2016 (see Chapter 7.2) and businesses were continuing to recover. Previous rounds of IRM found that businesses

were hit hard by the earthquakes but most were only temporarily affected and were fast to recover. In 2015, markets and local businesses were further affected by the blockade along the Nepal-India border and the ensuing inadequate transportation facilities and increase in the prices of goods. However, the easing of the blockade in early 2016 helped businesses to resume their normal activities. Some even opened new businesses in earthquake-affected districts (see Case Studies 7.4 and 7.8) For example in Nele VDC in Solukhumbu, local businesses were closed for around one month after the earthquakes and later struggled due to the blockade but had fully recovered by mid-2016. In VDCs in Gorkha—a severely hit district—there were only minor impacts on businesses. In Barpak VDC, the epicenter of the earthquake, small hotels and restaurants have even benefitted from increasing numbers of visitors from aid organizations since the earthquakes, although Barpak has an exceptionally high number of aid organizations assisting the VDC. Similarly, in VDCs in Sindhupalchowk there were examples of businesses being well along the path of recovery. In Baruwa VDC, a local carpet weaving business had resumed operations. This business provides important opportunities for locals to earn cash, employing 64 weavers, most of them women. According to the owner, around 60 percent of those who had been employed before the earthquake returned to work by mid-2016.

Some small business owners continued to struggle even as their businesses were gradually recovering (see Case Study 7.5). For example, Kabita Thapa Magar's cosmetic store in Dudhkunda municipality in Solukhumbu was damaged in the earthquake and she subsequently also lost her goods when she stored them under tarps as she was living in a temporary shelter. Without supplies, and with her shop closed, Kabita struggled to pay interest on the loans she had taken from a moneylender and a cooperative to start the business as well as to pay the rent for her shop. She reopened her shop four months after the earthquake and, although business was slow in the beginning, it was recovering well by September 2016. Similarly, Yubaraj Rai's electronics shop in the same VDC was also damaged during the earthquakes. He too had borrowed money, around NPR 600,000, that he still had to repay. He was able to move his shop to a different building, but was finding it difficult to pay rent as well as the interest on his loans due to the damage to his goods and the short-term interruption of his business after the earthquakes.

Several handicrafts businesses were also found to be struggling for various reasons, not all of them connected to the earthquakes. Most notably, blacksmiths, traditionally a Dalit profession, had difficulties making a living from their craft. Dalit households in Dudhkunda municipality in

Solukhumbu involved in traditional blacksmithing said that after the earthquakes, Buddhist monasteries and individuals stopped ordering pots and decorative metal items, procuring wrought iron and coal became increasingly difficult and expensive, and with the easy availability of readymade tools in the market, they could no longer sell even the basic farming tools that they made. The households involved in blacksmithing in this VDC therefore moved to farming and daily wage labor after the earthquakes. Dalit blacksmiths were also struggling in other areas, for example Barpak VDC in Gorkha. In Lisankhu VDC in Sindhupalchowk, many households used to earn an extra income from woodcarving but it was found to be increasingly less profitable. Buddharaj Yonjan, who used to carve masks, said that as there was no profit in it anymore he was looking for a better job. The decline in traditional crafts is a long-term trend but the earthquakes may have accelerated it in some cases.

There were examples of small-scale support for businesses (see Chapter 7.4) but owners continued to highlight that damages to businesses should have been assessed and compensation provided by the government. Those who had been running their businesses in rented spaces that were fully damaged during the earthquakes received neither support to rebuild the spaces where their businesses were located nor compensation for damaged goods. This issue had already been pointed out by business owners during IRM-1 and IRM-2 and was found to affect those whose incomes entirely depended on their business the most.

### ***The tourism sector was beginning to recover after long-term disruptions.***

Tourism is a major source of income in some of the VDCs studied: Bamti Bhandar VDC in Ramechhap and all three VDCs visited in Solukhumbu. Tourism in the Manaslu Conservation Area (MCA) is also important for Gorkha but not for residents in the VDCs studied; only district-level respondents mentioned the repair of MCA trails as important for Gorkha (See Chapter 7.4). In Ramechhap and Solukhumbu, however, residents in VDCs visited strongly felt the impact of the earthquakes on tourism, which was compounded by the blockade in 2015 and ensuing fuel shortages.

Fortunately, by mid-2016 tourism began to pick up again. Tourists had already started traveling through Bamti Bhandar VDC and those working in the tourism sector were hopeful and expecting significant numbers of tourists to return during the next season. Similarly, in Dudhkunda municipality in Solukhumbu, hotels and shops that had no business for many months were reopening. Hotel bookings for the upcoming tourist season were reported to be at near pre-earthquake levels. In Nele VDC in Solukhumbu, hotels and shops had also been repaired or rebuilt and were running as



before the earthquakes. However, people in Kerung VDC in the same district were more cautious and said that it would take another one or two seasons for large numbers of tourists to return and for the tourism industry to recover fully. Pasang Katuwal from the VDC said, “Trekking was completely shut last year

so it will be better this year [...] but the recovery will depend on the number of tourists and I don’t think there will be as many tourists this year as before the earthquake. The more tourists the more jobs for guides and porters!”

### Case Study 7.5: Resuming a small business in Gorkha

Purna Bahadur Gurung from Barpak VDC in Gorkha had lost everything he owned during the first earthquake. His home collapsed and most of his belongings and goods from his small shop were damaged, as was a grinding mill worth NPR 150,000 that he used to operate in his shop. When he had to travel to Kathmandu to seek medical attention for his injured wife after the earthquake, his remaining belongings were stolen or lost. He estimated that, overall, he lost over NPR 500,000 worth of goods and belongings and said he had to spend NPR 75,000 upon returning from Kathmandu to buy essential items such as kitchen utensils, mattresses, and blankets.

But Purna Bahadur was cautiously optimistic. “The earthquakes disrupted my family and business life but I am working to recreate what I have lost. There is still a long way to recover from the loss but I am glad I have taken steps forward.” He had constructed a temporary shelter and was able to again open his shop during the winter with a NPR 200,000 loan from a local cooperative at 18 percent interest. And he planned to buy a new mill as soon as he could afford it since locals from his ward now had to walk one-and-a-half hours to reach the next mill.

## Labor

### ***Demand for wage labor, especially in construction, increased further.***

In rural Nepal, wage labor has traditionally been only a complementary economic activity for farmers. However, with fewer households relying primarily on agriculture, labor at home and abroad has increased in importance. As such, the facts that labor was only temporarily interrupted and that demand for, and incomes from, wage labor are rising, especially in the construction sector, are encouraging signs for the recovery of earthquake-affected families. Some migrant laborers have even been able to return home to work there. For example, the husband of Gyanimaya Tamang in Katunje came back from India after the earthquake to work as a wage laborer in housing construction. Many Dalit men from this VDC frequently migrate to India for work but some have now returned to work in the village as wage laborers. However, it is unlikely that enough work for laborers will be available in rural areas in the longer term, after reconstruction is complete, and many households continue to rely on migrant labor as an income source and to repay loans (see Chapter 7.5).

There were only isolated examples of households changing their primary income source but where they did, they commonly moved to wage labor. For example, several farmers that were displaced and could not continue farming started working as wage laborers instead. Blacksmiths from Dudhkunda municipality in Solukhumbu whose businesses were in decline also moved to daily wage labor.

Across districts, skilled laborers such as carpenters and masons, as well as some unskilled laborers, were seen to have benefitted from more opportunities and increasing wages after the earthquakes. Initially, they were involved in building temporary shelters and later in the reconstruction of homes, public buildings, and infrastructure such as roads. Already in early 2016, the increased demand for laborers involved in construction was observed in several locations and had led to better wages. By mid-2016, demand had risen further and wages continued to be high. For example, in Barpak VDC in Gorkha wages for daily wage laborers were reported to be NPR 900-950 per day, significantly higher than before the earthquakes. The high pay reportedly prompted several farmers in the VDC to shift from farming to work in construction

or transporting the sand and stones needed for construction from the river. In VDCs in other districts, too, wages for skilled and unskilled labor increased significantly by between 40 and 100 percent. Some were therefore able to substitute for other depleted income sources by taking on extra work as wage laborers. For instance, in Kerung VDC in Solukhumbu, those whose incomes depended on trekking were able to temporarily shift to wage labor when tourism did not resume for over a year after the earthquakes. Several farmers in neighboring Okhaldhunga district also reported engaging more in wage labor to earn extra cash. Some came to entirely depend on wage labor such as displaced Dalits in Prapcha VDC, many of whom were unable to resume agriculture (see Case Study 7.3)

In 11 out of 18 VDCs visited, demand and wages for masons and carpenters had increased since IRM-2: in Barpak and Tanglichowk in Gorkha, in all VDCs visited in Okhaldhunga and in Solukhumbu, and in Sri Krishna Gandaki, Waling municipality, and Arukharka in Syangja. In Kerung VDC in Solukhumbu, masons had already been benefitting in early 2016 and continued to do well from work opportunities at home as well as in other VDCs or districts (see Case Study 7.6). Even in Syangja, a less-affected district, masons and other laborers commonly reported that they have had better work opportunities and pay since the earthquakes. Wages in Syangja reportedly nearly doubled.

Rising wages for masons and other construction workers, however, has also led to increasing costs for house reconstruction, adding to earthquake victims' economic burden. Khem Bahadur Magar from Waling municipality in Syangja, whose house was listed as partially damaged, explained: "I myself, work as a mason and, still, rebuilding my house cost us five lakh Rupees (NPR 500,000). NPR 3,000 was not even enough to buy sand to fill the cracks. And now I have a loan to pay back."

***Despite gains in the labor sector, the recovery of Dalits, who commonly depend on wage labor as income source, did not improve.***

Generally owning smaller or no land, Dalits have long had to rely on traditional crafts or wage labor just to buy enough food. Yet, with less diverse income opportunities and assets than other groups, Dalits were still significantly slower to recover despite increases in work and wages for laborers (see Chapters 6 and 7.1). Some Dalit blacksmiths in Solukhumbu, whose businesses were declining, were able to shift to wage labor for the time being. But without a more secure long-term income source, they remain vulnerable. A Dalit couple in Dudhkunda municipality in Solukhumbu committed suicide due to severe financial stress. Although there was no direct link to the earthquake, it was reported that the lack of secondary income sources had increased the couple's debt burden.

### **Case Study 7.6: Masonry continues to gain in Solukhumbu**

Laxman Basnet from Kerung VDC in Solukhumbu previously had to go to the high altitude villages of Khumjung and Namche for about four months each year to look for work as a semi-skilled mason. "There are too many masons in our village—almost every other household has one—and it was difficult to get regular work in the village before the earthquake," Basnet said. "But after the earthquake, there is so much demand, I haven't had a single day off." Basnet explained that one head mason would at most build two houses per winter but now they were building up to four. Basnet also said that there had been a gradual increase in the wages since the earthquake. "We used to work for about NPR 800 per day but now people are earning up to NPR 1,250 per day." Masons from Kerung are also working in other VDCs, some as far as

Gorkha, where the daily wages are reported to be even higher.

Asked if he was familiar with the government-provided models of earthquake-resistant houses, Basnet said that he had only heard about them on the radio but had never seen a model house. "I think it would be really useful for us if the government built a model house in the village and gave us some trainings. We learn easily through experience and I am sure trained local masons could help in the reconstruction process." But he was convinced that the houses that are being built locally after the earthquakes are much safer and stronger than before. "We are now using extra safety with wooden bands in the joints and the roof, and people also do not want to build very tall."

## 7.4 Livelihoods support and needs

### ***Livelihoods support was sporadic and unevenly distributed.***

Comprehensive, widespread schemes to assist livelihoods recovery were found to be missing in the districts visited. Where I/NGOs did provide livelihoods support or other direct aid to assist recovery, this was limited to certain wards or VDCs – and often to a small number of households. In four of the six districts, at least one of the VDCs visited had not received any livelihood support. Further, the geographic distribution of livelihoods assistance was uneven; there appeared to be a concentration of livelihoods support programs in Gorkha and Sindhupalchowk but not in Ramechhap, which was also severely hit, mirroring the higher presence of I/NGOs in these two districts. However, one of the three VDCs visited in Sindhupalchowk had not received any livelihood support.

The types of livelihoods support provided varied (see Table 7.1) but all forms of support were generally found to be useful by recipients. One respondent from

Barpak VDC, Gorkha, was satisfied that there had been changes in land tenure practice in the VDC, with people moving from planting maize, wheat, barley, millet, and potato to planting vegetables after NGOs helped residents grow vegetables by providing seeds and trainings for off-seasonal vegetables. Communities in Barpak have also benefited from organizations who assisted communities with goat and pig farming. In Baruwa VDC in Sindhupalchowk, the Community Self-Reliance Center (CSRC) provided vegetable seeds and tunnels that allowed locals to start growing tomato and bitter gourd. Businesses also received some small-scale support, mostly in Gorkha. Dalit blacksmiths in Barpak VDC, for example, received assistance from CARE to build an *aran* (workshop for blacksmiths). An NGO also provided trainings to hotel operators and distributed beds and a tea table to 22 households running homestays in the same VDC.

**Table 7.1:** Types of livelihoods support provided by district

| District and PDNA Categorization | Examples of support in study area   |
|----------------------------------|---|
| Sindhupalchowk (severely hit)    | Trainings, seeds distribution, livestock farming support                                |
| Ramechhap (severely hit)         | Livestock farming cash support  |
| Gorkha (severely hit)            | Tunnels for vegetable farming, trainings, homestay development, and material assistance |
| Okhaldhunga (crisis hit)         | Masonry training  |
| Solukhumbu (crisis hit)          | Livestock shed support, seed improvement, cardamom farming                              |
| Syangja (hit)                    | Livestock support, subsidy for mini and power tillers                                   |

### ***Livelihoods support is an important and widely cited need, especially for farmers.***

While reconstruction aid is vital for recovery, livelihood support is also critical for many. Livelihoods support continues to be useful to ensure that income generation can support families, particularly under conditions of post-disaster financial stress. As current support is limited and disparate, it needs to be widened, both in scale and in beneficiaries if families are to recover from the impact of the earthquake.

Various stakeholders in 16 of the 18 VDCs studied stated livelihoods support as a need. Only in two of the VDCs in Solukhumbu did livelihood support not come up as a main need with people in these VDCs focusing entirely on housing reconstruction support.<sup>146</sup>

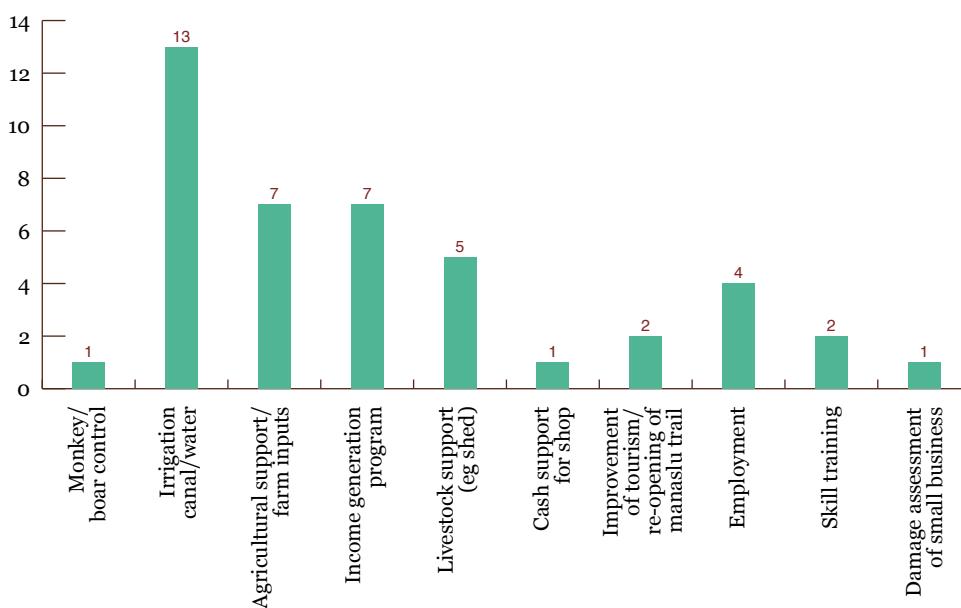
The need for water, both for irrigation and drinking, was listed in every district, and in 13 of 18 VDCs visited, corresponding to the shortage of water affecting agriculture (see Figure 7.2). This was followed by agricultural support such as farm inputs and income generation programs. Livestock-related needs,

<sup>146</sup> According to a survey on food security and livelihoods conducted by the Inter-Agency Common Feedback Project (CFP) in June 2016, livelihoods is a major concern for many in the earthquake-affected districts. While similar concerns are likely to have been raised before the earthquakes (most were concerned about a lack of skills and jobs which is unrelated to the earthquakes), 84 percent of respondents did not believe that their livelihood would survive another disaster. See, Nepal Community Feedback Report, Food Security and Livelihoods, September 2016. [www.cfp.org.np](http://www.cfp.org.np)

particularly sheds, was listed in five VDCs. Needs for employment opportunities and skills trainings were also commonly mentioned. Some needs were location specific, such as the improvement of tourism in Ramechhap and the repair and re-opening of the Manaslu trail in Gorkha, or monkey and boar control in Sindhupalchowk. Damage assessment of small businesses was identified in Solukhumbu but is likely applicable in other areas, too (see Figure 7.3).<sup>147</sup>

As farmers have resumed agriculture but continue to struggle (see Chapter 7.3), livelihoods support for this group is particularly important. Fortunately, agricultural support has already been provided by various organizations. A renewed focus on irrigation infrastructure, as well as other technologies could further assist farmers to recover fully from the impact of the earthquake.

**Figure 7.3:** Incidence of livelihood needs cited in VDCs visited



<sup>147</sup> IRM-1 and IRM-2 commonly cited the assessment of business losses as well as support for small and severely hit businesses as needs. See, The Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu

and Bangkok: The Asia Foundation, pp. 95-96. Or, 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, pp. 65-67.



## 7.5 Strategies for coping with financial stress

Households in rural Nepal have long relied on diversified livelihoods in addition to subsistence or small-scale farming. Since agricultural yields are often insufficient to sell or to feed the household all year round, incomes are commonly supplemented through

small businesses, wage labor, or migrant labor. The following strategies are those people use in addition to livelihood diversification, particularly after the earthquakes imposed severe financial stress.

### Borrowing and lending

***Borrowing is a preferred coping strategy and was very common across areas visited.***

Borrowing from formal and informal sources was a common coping strategy even prior to the earthquakes in the research areas. Given that subsistence farming does not provide cash incomes, and that yields from non-subsistence farming can only be sold at certain times in the year, households are used to borrowing cash from relatives, neighbors, local moneylenders, or microfinance institutions and repaying that money only when harvests are sold or money is sent by household members working elsewhere. The proliferation of saving and credit groups promoted by government and non-governmental institutions for poverty alleviation and entrepreneurship development has enhanced this process in many areas. After the earthquakes, households under financial stress were therefore more likely to borrow than sell assets or using other coping strategies. “We take loans but we cannot sell our assets. We have to transfer our assets to our sons and grandsons,” said one respondent in Dhuwakot VDC in Gorkha.

In all VDCs visited, borrowing was extremely common. But borrowing occurred for various purposes, many of them unrelated to the earthquakes. Respondents generally borrowed for household expenses and income generation, particularly to open small businesses and for labor migration abroad – a trend continuing from before the earthquake. Researchers met five people in one ward alone, in Arukharka VDC in Syangja, who were planning to go abroad and said that they had had to take loans to pay for manpower agents, visas, and flight tickets. In all districts, labor migration has been a common phenomenon since before the earthquakes (see below). Residents in many of the VDCs visited also borrowed to buy livestock, pay for their children’s education, invest in their businesses, or for household utensils and food. For example, Min Bahadur Darji, a Dalit carpenter from Baruneshwor VDC in Okhaldhunga, took a loan from a bank for his furniture business and Nirmala Neupane from Sri Krishna Gandaki VDC in Syangja had borrowed money to buy goats as she is earning an extra income by rearing goats. Borrowing to pay off other loans

was also reported in some cases, especially among marginalized and poorer households.

Some residents in the wards visited borrowed because of financial stress incurred by the earthquakes. Several took loans to reinvest in businesses destroyed by the earthquakes, others to buy livestock they had lost, or to build temporary shelters and reconstruct their houses. Some even had to borrow for consumption as the earthquake initially affected their income sources. This particularly affected Dalits (see Chapter 7.3).

***Borrowing did not significantly increase between February and September 2016. Where borrowing did increase—mostly in Solukhumbu and Syangja, the two districts where the cash grant agreement process had not begun—it was for house reconstruction.***

Borrowing was reported to have increased since IRM-2 in only eight of the 36 wards visited.<sup>148</sup> However, borrowing for reconstruction had become more common even if borrowing overall did not increase significantly. In IRM-3, borrowing for semi-permanent housing and reconstruction was reported in all districts visited (see Case Study 7.7). For example, Samjhana Tamang from Sindhupalchowk borrowed NPR 30,000 to build a small semi-permanent ‘cottage’ for her family. She had temporarily migrated to Kathmandu when her house was destroyed during the earthquakes but needed a place to live back home in order to run her shop. In Ramechhap’s Banti Bhandar VDC, families rebuilt houses because they feared snakes and wild animals coming out of the forest when staying in their temporary shelters. They did this even before receiving cash grants by taking loans from cooperatives, friends, and relatives.

<sup>148</sup> In IRM-2 the rate of monetary borrowing had already increased in 18 of the wards visited but people borrowed mainly to cope with the difficulties they faced meeting their daily livelihood needs. 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, pp. 68-71.

In seven of the eight wards where borrowing had increased between IRM-2 and IRM-3, loans were primarily used to finance the reconstruction or repair of houses damaged in the earthquakes.<sup>149</sup> Interestingly, these seven wards are in Solukhumbu and Syangja. In these two districts, reconstruction was moving ahead, financed through loans, despite the fact the CBS assessment had not been conducted and it remained unclear when earthquake victims would receive reconstruction cash grants from the government. In some areas of Solukhumbu and Syangja, reconstruction was moving quicker than in the more severely hit districts where many earthquake victims had signed cash grant agreements and were waiting to receive the first installment of the grant before rebuilding. This explains why borrowing in the other districts visited (Gorkha, Sindhupalchowk, Okhaldhunga, and Ramechhap) did not increase significantly between early and mid-2016 – residents often said that they were not borrowing currently as they were waiting for government assistance but would borrow in the future if the cash grant was not enough (see below).

Households in Solukhumbu and Syangja began house reconstruction either believing they would not receive any assistance or unwilling to wait and confident that they would be able to repay loans once they received their cash grant. For example, in Dudhkunda municipality in Solukhumbu, hotel and business owners rebuilt or repaired houses with loans. “I waited almost a year for the government’s cash assistance and reconstruction policy, but I did not see any hint of government support [...] therefore I started rebuilding my house on my own last May and am planning to complete it by December,” said one resident in Dudhkunda. In Nele VDC, also in Solukhumbu, people also had to borrow two to four lakhs to supplement the NPR 200,000 cash assistance they had received from a private donor to rebuild their homes. And in Kerung VDC in the same district, at least five households had borrowed to rebuild. Across VDCs visited in Syangja, most of those who were already rebuilding their houses could only do so with loans, increasing their debt. For example, families in Sirbare, Waling municipality, had waited for over a year for government assistance when they finally decided to rebuild on their own. Dilli Ram Regmi, a Red Card holder, asked, “How long should we have waited for government assistance risking our family’s life?” He rebuilt his home with a loan of NPR 300,000 from a local cooperative at an interest rate of 14 percent. He was not the only one.

<sup>149</sup> In one ward in Baruwa VDC, Sindhupalchowk, borrowing had also increased since IRM-2, but here it was for household- and livelihoods-related expenses, such as buying livestock and reinvesting in a carpet business, rather than reconstruction.

Yam Kant Regmi from the same locality also took a loan of NPR 200,000 from the same cooperative because, “it was very painful and risky to sleep in the open with my wife, daughter-in-law, and a little child.”

***Across districts, many said they would have to borrow more money to reconstruct their houses and it was expected that debts would rise for the majority of earthquake-affected households if access to low interest loans did not increase.***

Irrespective of whether they were receiving cash grants or not, many of those interviewed mentioned that they would have to borrow more to finance the reconstruction of their homes. In all wards visited, respondents mentioned that borrowing would increase after the 2016 monsoon when reconstruction would begin in earnest. Although the cash grants are not intended as full payment for reconstruction, those interviewed were often unaware of this and complaints about the amount of the cash grants were common. “Two lakh Rupees is insufficient to build a house,” said Gopi Lal Nepali of Lisankhu VDC in Sindhupalchowk. He explained, “The government’s assistance is not enough and I’m thinking of taking a loan to add money to be able to build a house.” The small amount of the first installment was also seen as problematic as earthquake victims would already have to borrow to cover the costs for completing the foundation adhering to the NRA’s building codes in order to receive the second installment.

Those who were planning to borrow for reconstruction had high expectations that the government would make low interest loans available for earthquake victims. In Banti Bhandar VDC in Ramechhap, for example, where it was expected that around 75 percent of those needing to rebuild would have to take loans, residents said they hoped that the government would provide loans in addition to the reconstruction cash grant. In Ramechhap municipality, locals had heard about subsidized government loans through the media and said that most people in the ward would not be able to rebuild without such loans. A representative of the *Rastriya Banijya Bank* in Ramechhap revealed that at least forty people visited the bank every month inquiring about loans for house reconstruction.

Easier access to loans was not only needed by those trying to rebuild but also by some of those trying to improve their shelters. In VDCs in Sindhupalchowk and Gorkha, several households had already taken loans of up to NPR 200,000 for semi-permanent shelters.

***Most of those who had to borrow, took loans from individuals and local cooperatives and savings groups rather than formal sources.***

Borrowing from informal sources and local savings and credit groups at high interest rates was much more common than borrowing from banks. Only in seven of 18 VDCs visited was borrowing from banks reported; in six of these, only a few households had borrowed from banks while in one VDC, Dhuwakot in Gorkha, many locals had taken loans from banks. Despite national level efforts for commercial banks to offer earthquake victims viable loans, the interest rates from banks were reported to be between 8-20 percent annually. Borrowing from local savings and credit groups and local cooperatives was more common both across and within VDCs. In 14 out of 18 VDCs visited, locals borrowed from such groups. In six of these VDCs some had taken loans from savings and credit groups; in two, many had; in two, most residents had taken such loans; while in three VDCs only a few of the local residents had used them for loans. Local credit groups tended to charge interest rates between 12-18 percent annually, but in isolated cases interest rates were up to 36 percent. However, locals had to be pre-existing members of these group in order to access loans from them.

Most common was borrowing from individuals such as family members, neighbors, or friends, and from local moneylenders. In 14 out of 18 VDCs residents had borrowed from local moneylenders and in 12 VDCs they had taken loans from family, friends, neighbors, or other individuals. These sources charged higher interest rates, generally between 24-36 percent per year. However, it was often easier for residents to approach them for loans (see below).

Borrowing from informal sources was particularly high in all VDCs visited in Okhaldhunga and Solukhumbu where most or many of those who took loans had borrowed from moneylenders, more so than in other districts. In all VDCs visited in these two districts, many or most households had borrowed from individuals compared to few or none of the households in VDCs in other districts.

***Informal sources of lending were more easily accessible and some expressed a preference for them despite higher interest rates.***

In most VDCs, residents found borrowing from moneylenders or other informal sources more convenient even though they charged higher interest rates than banks. They are physically closer as banks are commonly only present in district headquarters and other urban areas. Residents of Baruwa VDC in Sindhupalchowk, for example, would have to walk far to access banks and, as such, preferred to borrow from informal sources and repay after returning from migrant labor in Ladakh, India. Borrowing locally from informal sources is also faster and easier than approaching banks who require formal documents.

Often, villagers lack knowledge on how to approach banks. For example, in Doramba VDC in Ramechhap, residents said they would prefer to borrow from banks but had no information on how to take a bank loan. As one respondent in Baruneshwor VDC, Okhaldhunga, said, “There are a couple of reasons why people resort to moneylenders for loans. The most important one is ease and convenience [...] moneylenders are readily available in local areas. Secondly, for those who do not have resources and property to keep as collateral, the banks do not provide loans.”

Informal sources of lending are generally more flexible and ask for no or little collateral. This was commonly cited as a factor causing people to borrow from informal sources rather than banks or savings groups and cooperatives. In Syaule VDC in Sindhupalchowk, for example, the Agricultural Development Bank had confiscated the land of a farmer who had taken a loan when he failed to pay back the loan on time. As a result, others in the VDC were too scared to approach banks and said they preferred borrowing from informal sources that are more flexible. The lack of collateral and lengthy process of borrowing from banks also prompted residents in Banti Bhandar VDC and Ramechhap municipality in Ramechhap district to take loans from moneylenders. The valuation of land in Ramechhap municipality was relatively low—one *ropani* (~508 m<sup>2</sup>) was valued at NPR 14,000 by the government—which banks do not consider sufficient for collateral. In Katunje VDC in Okhaldhunga, some found that their land was not valuable enough to qualify as collateral while others said they were afraid that the banks would take away their land and residents were found to be borrowing large sums from the local moneylender. They said they preferred local moneylenders as they were more flexible not having the strict payback deadlines of banks and other formal financial institutions. One resident in this VDC explained, “The reasons for taking loans from moneylenders are proximity, accessibility, and flexibility to repay. There is no risk of losing collateral if one is unable to pay back on time. Sometimes we can request the local moneylenders to postpone or waive some interest and there is no need for paperwork or collateral.” Residents in Tanglichowk VDC in Gorkha also pointed out that those who were not members of savings or credit groups had to either provide collateral for formal sources of lending or resort to moneylenders. In Kerung VDC in Solukhumbu, residents similarly highlighted that microfinance, cooperatives, or savings and credit groups only provided small sums with strict payback deadlines, which were insufficient for rebuilding.

Banks are also reluctant to provide loans even when people are able to approach them with the right documents. The VDC Secretary of Katunje VDC in Okhaldhunga pointed out that banks find it challenging to

collect regular installments from clients in rural villages and do not trust them to pay regularly, hence they only provide loans to bigger entrepreneurs: “Banks give loans to big businessmen to buy vehicles or operate poultry farms, not to others.” An executive of the Rastriya Banijya Bank in Ramechhap municipality confirmed this stating, “In villages people are mostly involved in agriculture and livestock farming and we cannot accept this as collateral for loans.” Banks were perceived to be particularly inaccessible to displaced communities such as Dalit households in Prapcha VDC in Okhaldhunga, who do not have any collateral.

***For marginalized groups such as Dalits, accessing credit was particularly difficult.***

Marginalized groups, especially Dalits were found to be struggling more and recovering more slowly than others (see Chapters 6 and 7.3). However, despite being most in need of credit, this group was the least likely to be able to access loans, especially from formal sources. For example, in Baruneswhor VDC in Okhaldhunga, upper caste and educated residents were found to be taking loans from formal sources while Dalits depended on local moneylenders charging high interest rates. Many Dalits in Baruneswhor VDC are illiterate, lack collateral, and do not have access to social networks and information required to approach financial institutions for loans. One Dalit in the VDC stated that his collateral was valued at only NPR 40,000 when he was trying to borrow money for his poultry business. And Deepa BK from the same district said, “If loans are not paid back in banks, I’m afraid that they will auction the collateral. But in the village, if you don’t have money, you can just pay a few days later.” In Katunje VDC in Okhaldhunga, respondents reported that Dalits found it difficult to borrow even from moneylenders who are upper caste and often discriminated against and humiliated them. Deepa BK, a Dalit from Baruneswhor VDC in Okhaldhunga, described her situation as follows: “Without collateral, banks do not provide loans. We have taken a loan from the Brahman family in the village. The Brahmin-Chettri families in the village are the ones who have some savings to lend to others. We are from the *Matwali* caste who earn from wage labor. But we have many children and what we earn is hardly enough for food and other daily expenses.”

***Rising debts were a worry for many households and the risks of debt traps were increasing.***

Borrowing was common and interest rates were high and with many unsure how they would be able to pay back their loans, the risk of debt traps appears to be increasing. Several households were already found to be struggling to repay loans. For example, Laxmi Neupane from Sri Krishna Gandaki VDC in

Syangja was concerned about her family’s large debt incurred by a loan they took to rebuild their house. Her husband was chronically ill and could not work and her daughter’s income from working in the VDC office was barely enough for daily household expenses. Similarly, Bal Bahadur BK, an old man from Arukharka VDC in Syangja, bemoaned, “We built this house after our house completely fell down because of the earthquake. We are still in debt. I don’t know when we will be able to repay it.” Another man, Khadka Bahadur Rana Magar from Waling in Syangja, had taken a loan of NPR 200,000 from the bank but it was not enough to complete his house: “Now the house stands incomplete, I do not have any source of income and on top of that we have to pay interest to the bank. I am now worried about paying back the loan.”

Dalits in particular were seen as being vulnerable to debt traps. While many struggled to access credit to begin with, those who managed to take loans very often had insufficient income to pay interest and pay back their loans. For example, Dalits in Nele VDC in Solukhumbu were considered to be unable to pay back larger loans they had taken to rebuild unless the government improved access to cash and cheaper credit for marginalized groups. Dalits in other districts, too, in particular Syangja and Okhaldhunga, had taken high interest loans that they could not pay back.

The large amounts that people had to borrow for reconstruction—much larger than amounts commonly borrowed in rural Nepal—meant that loans could not be paid off merely by increasing incomes from farming, labor, or small business. Before the earthquakes, households were used to making adjustments to increase their incomes, for example by investing in small businesses or through wage labor. But even when doing this, they faced other challenges. For example, residents in Baruwa VDC in Sindhupalchowk said they planned to repay their usual loans, taken to buy livestock, by weaving carpets and selling goats, as they had done before the earthquakes, but that with the financial burden of reconstruction, even the borrowing of small regular amounts meant added financial stress. Nevertheless, several households said they were relying on their regular incomes from businesses, farming, livestock sale, or wage labor to pay off smaller loans. For example, residents in Tanglichowk VDC in Gorkha had received entrepreneurship assistance and took loans to invest in livestock or vegetable farming that would allow them to increase their incomes. In Prapcha VDC, Okhaldhunga, several households said they relied entirely on daily wages from labor in construction to pay back the money they had borrowed. Entrepreneurs in Solukhumbu and Okhaldhunga reported that earnings from electronics, furniture, or retail businesses were currently sufficient to pay back loans. This is encouraging but their



### Case Study 7.7: A migrant laborer borrowing to rebuild

Yagya Bahadur Ale Magar from Prapcha in Okhaldhunga has been working in Saudi Arabia for five years. His two brothers also work there. They were unable to return home after the earthquakes destroyed his family's home as the company did not grant them leave. When Yagya Bahadur's mother, wife, children, and sister-in-law were forced to stay in a temporary shelter, he wanted to send them more money to improve their shelter and eventually rebuild. Normally, he would send around NPR 20,000-30,000 every other month. However, this was not enough to make ends meet after the earthquakes and he and his brothers borrowed money from other Nepali migrant laborers in Saudi Arabia and sent around NPR 100,000 to their family. He said, "[migrant workers from the same village] also tried to collect money but could not get enough, that's why I sent as much as I could." He explained that, "The Saudi government allowed earthquake victims to send free money transfers, that's why it was easy to send money."

Over one year after the earthquakes, Yagya Bahadur could finally take five months of leave and return home to begin reconstruction. He said that rebuilding a small family house with stone and mud mortar cost him around NPR 200,000. He and his mother said they had lost hope that the government would assist them and started rebuilding on their own. Their house was categorized as partially damaged despite being more damaged than some of their neighbors' houses which were categorized as fully damaged in the CBS damage assessment. Yagya Bahadur's mother had filed a complaint but feared the complaint would simply be treated as a formality and would not be addressed. She thought that the assessment team had not examined the houses properly: "My house is listed in the partially damaged category, but look, we are living in this shed!"

Soon, Yagya Bahadur would have to return once more to Saudi Arabia to continue sending money to his family in Prapcha and to pay back the loans he took to pay for reconstruction.

incomes will likely not be enough to pay back the larger loans needed for reconstruction.

Most households relied on government assistance in the form of cash grants and soft loans or remittances to pay back loans. In Syangja and Solukhumbu, in particular, where cash grants had not yet been distributed, many of those struggling or unsure how to pay back loans said they were relying on receiving the reconstruction cash grants in the future to pay off their debts. For example, Dil Bahadur Saru Magar in Waling municipality, Syangja, had taken a large loan of NPR 1 million to construct a house for his extended family. But since his only income was from insecure daily wage labor, and he did not have information on when he would receive assistance from the government, he worried about repaying the loan. In Arukharka VDC in Syangja, too, households who had already rebuilt had mostly done so through borrowing and said they were depending on the government's cash grants to repay their loans. Similarly in Kerung VDC in Solukhumbu, households had to borrow more than usual to finance the rebuilding of their homes and said they feared rising debts and relied entirely on government assistance in order to pay back loans in the future. In other districts, too, earthquake victims

were using or planning to use cash grants to pay off debts. In Dhuwakot VDC in Gorkha, for example, those who had already rebuilt their houses before the cash grant agreement process were using the cash grants to pay back the loans they took for reconstruction.

Across districts, households often mentioned the need for remittances to pay off larger debts incurred by reconstruction-related costs (see Case Study 7.7). For example, Nirmala BK from Baruneshwor VDC in Okhaldhunga said that she and her husband hoped to send their sons abroad for employment to repay their debt. Similarly, San Bahadur Tamang from Katunje VDC in the same district was expecting his son in Malaysia to continue sending money to pay off his loan, which he could already reduce after paying back a part with remittance money. A resident from Kerung VDC in Solukhumbu, who had borrowed NPR 200,000 from a local savings group and moneylenders, said he would have to depend on his sons working as migrant laborers in Malaysia and as part-time masons back home if he did not receive government assistance.

"Without loans, houses cannot be built and they cannot be paid back without going abroad," explained Biplal Tamang from Syaule VDC in Sindhupalchowk.

He did not believe that it would be possible for his family or anyone else in the village to pay off loans by working in Sindhupalchowk or in Kathmandu, and said that therefore most had no choice but to resort to overseas migrant labor. In some areas many said they were “desperate” to go abroad to earn money to pay

off debts, even in less affected places such as the VDCs visited in Syangja. But as one resident in Arukharka VDC, Syangja, pointed out, it is problematic that many are planning to go abroad to pay back loans taken for reconstruction as they end up having to take additional loans to pay for agents, visas, and tickets.

## Migration and remittances

***Labor migration was common and has generally continued at similar levels after the earthquakes. Migration rates are likely to increase if households struggle to pay for the reconstruction of their houses and to pay back loans.***

Many households pointed out that they will likely have to resort to having family members migrate for work to be able to repay loans including the high amounts borrowed for housing reconstruction (see above). However, as most were only beginning to rebuild at the time of research, having just received the first installment of the reconstruction cash grant, migration patterns were not found to have changed significantly between IRM-1 and IRM-3. In some VDCs, people perceived a slight increase in migration in IRM-3 but, with migration already common before the earthquakes, it was difficult to verify whether migration rates had returned to normal after a temporary drop after the earthquakes or whether they had increased even compared to pre-earthquake rates.<sup>149</sup> Respondents in Barpak VDC, Gorkha, had mixed opinions on the topic. Some thought that the trend of people going abroad for labor migration had slightly increased while others stated that the rate of labor migration had slowed down after the earthquakes as residents were trying to rebuild their houses.

Labor migration was already common in most of the VDCs visited prior to the earthquakes with young people preferring to go abroad due to the lack of opportunities to earn incomes at home. For example, people from Baruwa VDC in Sindhupalchowk and Katunje VDC in Okhaldhunga migrate to India for seasonal labor. Dalit women from Katunje remarked that the men from this VDC are more likely to go to Sikkim, Kalimpong, Darjeeling, or Kashmir in India

than to Malaysia or the Gulf States because they lack the social networks, resources, and level of literacy needed to migrate elsewhere. Working in India is more easily arranged as it does not require passports, visas, or other documents and there are existing networks of others from the village who can guide and assist new laborers. In the other VDCs visited, migration to the Middle East or Malaysia, amongst other locations, is common but the rate of migration and remittances appeared to be constant before and after the earthquakes – with a slight drop in out-migration in the early months after the quakes in some places when some laborers returned to help family members at home or postponed their move abroad, while others sent more money.<sup>151</sup> In Ramechhap municipality, one respondent said, “Foreign employment is common in this community, most of the youths have left for employment to countries like Malaysia and Qatar but the earthquake did not increase the number of youths going abroad.” In Solukhumbu, people said that every second or third household had at least one person working abroad. They estimated that, on average, one person working abroad sends NPR 100,000 to 150,000 every year and said that there was no evidence of this trend changing after the earthquake. In Tanglichowk VDC in Gorkha, men traditionally joined the Indian or British Army. However, the younger generation now goes to work in Gulf countries instead. Reportedly, around every second household in the VDC has one member abroad.

Some migrant laborers returned home after the earthquakes to rebuild their houses. For example, Padam Kumari Shrestha from Syaule VDC in Sindhupalchowk worked as an airport cleaner for three years in Malaysia and came back to rebuild her house with her savings. Phurpa Tamang and Singha Bahadur Khatri from the same community also returned to rebuild their homes, but all three said they would go

<sup>150</sup> Not many studies on the impact of the earthquakes on migration have been published. For an early study, see: *Migration and Resilience: Experiences from Nepal’s 2015 Earthquake*, CESLAM, June 2015, available on <http://ceslam.org/index.php?pageName=publication&pid=36>

<sup>151</sup> See, the Asia Foundation and Democracy Resource Center Nepal (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Phase 1 – Qualitative Field Monitoring (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, pp. 102-104. Or, 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, pp. 71-72.

abroad again once the reconstruction of their house was complete. Some had already rebuilt their houses such as Sita Tamang's husband, who was at home in Syaule VDC when the earthquake struck. He rebuilt his house without waiting for the government's cash grant, and returned to Malaysia to repay his loans and to "give my children a better future." Korpa Tamang, a resident of Baruwa VDC in Sindhupalchowk, on the other hand, had only been to Malaysia for a month

when the earthquake destroyed his house, killing his six-year-old daughter. He quickly returned home but has been unable to repay the loan of NPR 136,000 he had taken to go abroad. For this reason, he says he may have to migrate again in the future but wants to go only after building a house for his family. Most VDCs had migrant laborers who returned home because of the earthquakes, either temporarily or permanently, including some of those who had migrated to India.

### Case Study 7.8: Young entrepreneurs find new opportunities at home

Two young entrepreneurs from Ramechhap, childhood friends Kul Bahadur Shrestha, 21 years old, and Tika Lal Shrestha, 22 years old, were able to start new businesses in Ramechhap municipality after the earthquakes. Kul Bahadur used to work in Kathmandu but returned home after the earthquakes. "I worked as a cook in Boudha. My roommate died in the earthquake and I was too scared to stay in Kathmandu so I left the job and came back to the village," he explained. The two friends decided to invest in poultry farming and later in a restaurant, which they are operating in the market area of Ramechhap municipality. Each of them had

to spend NPR 200,000 on the restaurant. But they are satisfied as they earn NPR 50,000 per month from the restaurant, excluding the NPR 3,000 rent. "The earthquake has affected a lot of people but it has provided me a new chance to explore my life. Now my life has been changed. If there had been no earthquake, I would still be working in Kathmandu," said Kul Bahadur and added, "I am very happy with this business."

Unlike many other young men from Ramechhap, Kul Bahadur and Tika Lal have no plans to go abroad for work. "Now I don't think of going abroad, it is much better here," said Tika Lal.

## Sale of assets and adjusting consumption

### ***Most households have not had to adjust consumption.***

Households in wards visited generally did not limit their food intake after the earthquakes. The vast majority of residents interviewed reported that they did not have to adjust consumption. Only one Dalit resident in Lisankhu VDC in Sindhupalchowk, Parbati Nepali, reported that she had to reduce the breakfast and lunch of her children due to a lack of funds. Parbati Nepali's house was fully damaged but, as she lived separately from her in-laws and did not have a land ownership card, she was not included in the beneficiary list. However, it appeared that cases of malnutrition in children have become more common—though not in the wards visited—which shows that food consumption has been affected by the earthquake in some areas (see Chapter 6).

### ***Sale of assets was minimal and mostly limited to the sale of livestock. But there were isolated cases of households that sold or tried to sell assets to finance reconstruction.***

The sale of livestock for immediate cash was a common practice even prior to the earthquakes and has continued to be so after. As one resident in Sindhupalchowk said, "We have not sold any assets, but selling livestock is a normal trend and we keep no record of it." Some sold livestock for domestic expenses while others did so because of financial difficulties. For example, Dirgha Bahadur Darzi and Kul Bahadur Rapacha, from Baruneswor and Katunje VDCs in Okhaldhunga, both said that they had to sell their buffaloes when they were facing financial difficulties. Others in Prapcha sold livestock because of a lack of space and being unable to feed their livestock, which was directly related to damages to their land by the earthquakes (see Chapter 7.3).

There were only isolated cases of households having to sell other assets such as gold. Several residents from Syaule VDC in Sindhupalchowk had sold gold and one had sold his land to finance the reconstruction of his house. In Baruneswor VDC in Okhaldhunga, one resident had sold some of his land while another was trying to sell to get additional cash for the reconstruction

of his house. Others had tried to sell but were unable to and poorer residents in VDCs in Syangja, Gorkha, and Sindhupalchowk lamented that they did not have anything to sell. “No one wants to cultivate the land even when it is given for free, who will buy here?” said

one resident in Baruwa, Sindhupalchowk. Another added, “Everyone says they want to sell the land but nobody says I want to buy, so no buying and selling of land is happening here.”

## Community support

### ***Communities have taken the initiative to rebuild houses and infrastructure themselves to limit the impacts on their livelihoods.***

The need for functioning infrastructure such as roads and irrigation canals have led communities to donate labor and resources to fix it without waiting for outside assistance. This is a trend unrelated to the earthquakes—residents often collectively finance roads to smaller settlements for example—but there were some community initiatives to repair earthquake damages. In Baruwa VDC, Sindhupalchowk, money was collected from each household to repair a road before IRM-2. Ward residents in Baruwa also donated money to remove the debris from the local school and temporarily repaired the damaged irrigation canal. In Katunje and Baruneshwor VDCs in Okhaldhunga, locals were similarly repairing and restoring irrigation canals. And in Barpak VDC in Gorkha, the Dalit community jointly built a new workshop, with support from a non-gov-

ernment organization, so they could continue to earn incomes as blacksmiths. They then also agreed to share labor for housing reconstruction on a rotational basis so that they would have to pay only for raw materials and not for the wages of laborers.

There were many examples of residents taking the reconstruction of their houses into their own hands, relying on expertise and resources in the community to do repairs and retrofitting on their own (see Case Study 7.9). While high levels of community support have been observed since IRM-1, which is encouraging (see Chapter 5.1), the limited technical supervision for housing reconstruction is problematic. Some residents were worried about this and said they started rebuilding because they were frustrated waiting for clarity on policies and for government assistance but feared they might not receive cash grants after having already built their house without being clear on the building codes.

### **Case Study 7.9: Sharing labor to rebuild faster**

People from Parangkhori village in Syaule VDC, Sindhupalchowk, started building houses without waiting for the government’s reconstruction cash grants. They did so through communal efforts. The Tamang community formed groups of five people to build houses through labor sharing. They were able to build one house in 20 days and worked on other houses on a rotational basis. According to a local resident, almost 14 new houses were built in the village through labor sharing practices. And in Gangboth, a nearby village, 11 houses were rebuilt. People in other wards of the VDC had reportedly also begun reconstructing on their own.

People were keen to rebuild because of an urgent need to store harvests from farming. Biplal Tamang from Parangkhori said, “We heard that the government would provide a cash grant starting 12 Baisakh [April 24, 2016], but until now it has not reached our hands. There

was no guarantee of getting the grant to rebuild in time to store harvests so we made houses on our own.” Besides storing food, the new houses were also needed for small businesses such as shops and restaurants or hotels.

Locals used stones and wood from the damaged houses but built only one-floor houses instead of the traditional three storied ones. The new houses were built without any technical assistance, however. People simply relied on their own building skills and knowledge. Many were therefore too scared to move and continued to sleep in temporary shelters, using their house only for storage. Only some, like Maili Bomjan, decided to shift to the new house. “There was so much discomfort in the temporary shelter and we could not store food and clothes, and health problems were common so I moved to the new house,” she said.



# Chapter 8.

# Conclusions and Recommendations



Photo: Binu Sharma

## 8.1 Summary of main findings

Between the second and third round of field research reconstruction began in earnest with the Government of Nepal distributing the first tranche of the reconstruction cash grants to those whose house was destroyed or badly damaged during the earthquakes. Yet, in the districts visited, the pace of reconstruction remained slow. After two monsoons and one winter, many remained exposed to the weather, diseases, and discomfort in inadequate shelters. Where households had to resettle due to major damage to their land or significant landslide risks, tensions with locals were sometimes observed. An increasing number of survivors had moved back into damaged houses or to unsafe land, taking significant risks.

Earthquake-affected households highlighted a need for cash and credit to rebuild and recover their livelihoods. They commonly complained that the assistance they received from governmental and non-governmental donors was insufficient. Awareness of and access to low interest loan schemes remained limited. As such, borrowing at high interest rates from informal sources was very common. In districts where the reconstruction cash grant was not yet being distributed, borrowing was observed to be higher and many expected to repay their loans after receiving the grant. In the other districts, borrowing was expected to increase once people began rebuilding after receiving

the first installment of the grant. This points to the potential for rising indebtedness. The economic strain was largest for groups whose struggles often predated the earthquakes such as marginalized groups and poor farmers.

Marginalized communities, economically disadvantaged households and those in very remote areas, were becoming more vulnerable as wider social networks and access to government institutions were increasingly important for recovery. Further, discrimination against marginalized groups, in particular Dalits, was observed to be more prominent compared to previous rounds, when the initial impacts of the earthquakes brought communities together.

Despite these challenges, there were also positive observations. Social cohesion generally remained strong and there were few reports of conflict and violence. In many areas, local communities helped each other rebuild houses and sheds, through labor sharing practices, and worked together to repair infrastructure. Further, markets were operating and most earthquake-affected households were in the process of recovering their livelihoods. Even tourism businesses that had seen long-term interruptions after the earthquakes were resuming.



Photo: Nayan Pokharel

## 8.2 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

Progress in reconstruction was slow despite this being the priority of most earthquake-affected households. Reasons varied but the most common ones were a lack of financial resources for rebuilding, people waiting for government support in the form of reconstruction cash grants or loans, unclear procedures or lack of information on building codes, and rising prices for construction materials, labor, and transportation. At the time of research, beneficiaries for the reconstruction cash grant had only been identified in four of the six districts visited. In the two lesser affected districts, Solukhumbu and Syangja, earthquake survivors remained unsure whether and when they could expect such assistance. Yet precisely in these two districts, reconstruction was observed to proceed faster as affected households began rebuilding without waiting to receive the cash grant, often by taking large loans.

One of 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. This has repeatedly led to uncertainty, frustrations, and practical difficulties, from high levels of discontent over the damage assessment conducted to identify beneficiaries, to delays and obstructions of the grant agreement process. Dissatisfaction with the damage assessment process was reported to be high, primarily due to a lack of clarity on guidelines and criteria and the fact that some households were missed during the assessment while some who had previously been listed as beneficiaries were now excluded.

Beyond the lack of information, however, people were generally satisfied with the scheme although they were unhappy about delays in distributing the grant and its amount, which was considered to be insufficient by recipients. Implementation of the grant scheme generally worked well, after initial protests and delays. Local offices, with support from local stakeholders and I/NGOs, were able to conduct the signing of grant agreements and the distribution of the grant fairly smoothly. The strong involvement of local stakeholders such as Ward Citizen Forum members and, in some areas, political parties, in spreading information and assisting people with their documents during the cash grant process contributed to the success of its implementation.



Nevertheless, procedural challenges remained. Many were unable to access the cash after signing agreements due to delays in disbursing the grant, mistakes in entering beneficiary details during the assessment and cash grant agreement processes, and logistical difficulties such as long distances to bank branches. This further delayed rebuilding and meant that engineers deployed to assist people during rebuilding were left without work. Complaints mechanisms to resolve the grievances of those who believe they should have been eligible were also not fully functional everywhere and confusion around how to address complaints persisted. Many of these procedural challenges have now been addressed in the government's new guidelines for the cash grant scheme.

Further, there were indications that the limited awareness of building codes would lead to problems in the future. Few beneficiaries were fully aware how to use the first installment of the cash grant and confusion around the building codes persisted. The reportedly limited coverage of technical support provided either by the government or non-governmental organizations, is concerning in this regard.

*Recommendation 1: Information on procedures of the government cash grant scheme needs to be communicated quickly and more clearly to local government offices and citizens. The involvement of local stakeholders and community members is beneficial for the purpose of spreading information.*

*Recommendation 2: Criteria for the selection of beneficiaries need to be provided alongside ongoing damage assessments to ensure more clarity on, and higher levels of satisfaction with, these assessments. In addition, engineers, NRA officials and others need to ensure that communities understand the reasons behind the classification of earthquake victims and the damage assessment grades.*

*Recommendation 3: Information on challenges related to accessing the grants after agreements have been signed as well as on the number of people who have yet to withdraw the grant from bank accounts should be collected to improve access for future rounds of grant dispersal.*

*Recommendation 4: Technical assistance and training on earthquake-resilient building techniques needs to be more widely available across earthquake-affected districts.*

## Credit

Access to cash and credit was a widely cited need. Most were concerned that the cash grant provided was insufficient to pay for rebuilding and were unaware of or were dissatisfied that the grant was not intended to fully pay for the reconstruction of homes but rather as an incentive to build back better. Delays in the distribution of the grant and problems of access further increased people's need for credit. At the time of research, it seemed that the numbers of those who will not qualify for further installments of the grant will be significant due to limited awareness of or ability to follow the required building techniques. This means that more may be forced to take larger loans to finance the reconstruction of their houses. Yet, awareness and access to low interest loan schemes was low. Most borrowed at high interest rates from informal sources and many more said they would have to borrow large amounts in the future to finance reconstruction, especially if they do not receive the full cash grant. Even those who were aware of loan schemes for earthquake-affected households complained that to access such loans they would have to spend the first installment of the cash grant according to the NRA's guidelines. Yet, the amount of the first installment was not enough and it was precisely in order to begin rebuilding according to the guidelines that they had to borrow money. As such, the provision of easily accessible soft loans remains particularly important to avoid debt traps, as highlighted during previous rounds of IRM.

*Recommendation 5: Ensure better awareness of government low interest loans for earthquake victims and make these more widely available and more easily accessible. Central-level loan policies may need to be revised for ensure better access for those in need of credit.*

## Needs beyond reconstruction

Most earthquake-affected households cited reconstruction as their primary need and preferred material or cash assistance for this purpose. Government and non-governmental support for reconstruction had increased compared to previous rounds. Yet, earthquake-affected households were dissatisfied with the government over unclear information and delays in providing assistance. Dissatisfaction was particularly high with non-governmental aid providers, largely due to their perceived disregard of people's needs in their programs. Non-governmental organizations were providing less direct material aid and instead focused on 'soft' forms of assistance such as trainings and awareness. While the focus on 'software' comes at the request of the NRA and at a time when many NGOs were waiting for their 'hardware' projects to

be approved, ‘software’ assistance was seen to be less useful by earthquake-affected communities.

Overall, the focus of assistance has been on housing reconstruction and limited attention has been paid to other needs, as reported in previous rounds of IRM. As such, the gap between the variety of needs on the ground and types of assistance provided seemed to be increasing. This was compounded by the absence of comprehensive needs assessments. Local government offices were not systematically recording local needs and non-governmental needs assessments tend to be restricted to certain geographic areas or sectors. There was therefore no coordination on or shared understanding of local needs between different government offices and between government and non-governmental institutions. This has limited progress on a wide range of issues critical to recovery beyond rebuilding. The rebuilding of community infrastructure, water and sanitation infrastructure, livelihoods support through skills training or farm inputs, medical care, and improvements in the education sector and school infrastructure were widespread needs. Psychosocial support was not seen as useful by communities who preferred ‘hardware’ aid but, in severely hit districts, communities were observed to continue suffering from the psychological impacts of the earthquakes.

***Recommendation 6: Improve understanding and coordination of local needs and priorities to direct assistance and limit dissatisfaction with types of aid provided. This can be done by supporting needs assessments that look beyond the reconstruction of physical infrastructure and collate information in coordination mechanisms to develop a shared understanding of needs between the government, NGOs, the UN, and foreign agencies.***

***Recommendation 7: Continue to increase livelihoods support rather than focusing assistance largely on reconstruction. Support for poor and struggling farmers is particularly necessary in the form of farm inputs, training, and improving irrigation facilities.***

***Recommendation 8: Water shortages are acute in many areas and more can be done to repair water sources and develop irrigation systems.***

## Resettlement

Long-term resettlement plans for those communities that had been displaced due to damage to their land or the high risk of landslides had not yet been developed at the time of the research. This was the most common source of tension in local communities where there were problems with social cohesion. Uncertainty over whether communities would have to resettle permanently also affected their ability to begin rebuilding and recovering from the impacts of the earthquakes. Geological land assessment had also not been conducted in most places. Such assessments have since been conducted in several areas. This is encouraging and could facilitate the formulation of resettlement plans.

***Recommendation 9: Continue to conduct geological surveys to assess risky land in all affected areas to determine whether communities can return to their land.***

***Recommendation 10: Determine long-term resettlement solutions for permanently displaced communities. Such plans need to be developed with the involvement of local communities to avoid conflict.***

## Vulnerable groups

A better understanding of vulnerability and specific needs, as well as targeted assistance, is becoming more important as structural discrimination and marginalization continues to shape households’ ability to recover. Marginalized groups, especially Dalits, were observed to be increasingly falling behind in their recovery given their limited access to wider networks and cash and credit as well as limited ability to navigate government institutions and to provide required documentation. The government’s current focus on the reconstruction of damaged houses, without paying special attention to other needs and factors that shape recovery, means that there are few provisions to facilitate special assistance for particularly vulnerable groups who may face larger obstacles in building back and recovering.

The displaced and those in temporary shelters, those returning to damaged houses or at-risk land, people in remote areas, women, children, and the elderly, and Dalits were identified as particularly vulnerable groups. It is encouraging that during IRM-3, social cohesion remained strong and communities were helping each other, even crossing caste or ethnic divisions. Communities were also more likely to agree that vulnerable groups need extra assistance than during previous research rounds. Yet, engagement with communities and local stakeholders remains crucial to ensuring the successful implementation



of targeted aid programs and avoiding tensions with other groups.

***Recommendation 11: More attention needs to be paid to the specific challenges of vulnerable groups to facilitate special assistance that enhances their ability to recover. This includes the need to develop a greater understanding of who is vulnerable in local areas and the factors preventing vulnerable groups from rebuilding.***

***Recommendation 12: Local communities need to be informed of and involved in the development and implementation of targeted aid programs to avoid conflict.***

### **Coordination and the roles of political parties and leaders**

Much of the dissatisfaction of local communities centered on a lack of information and clarity rather than actual procedures. Local government offices were often unable to give clear information to concerned earthquake survivors, mostly because they lacked information themselves. 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. Communication between various government offices, as well as between government offices and non-governmental organizations, was also weak. Within the government, overlaps of duties and a lack of coordination between pre-existing and newly formed bodies reduced efficiency. The IRM research has shown that working through pre-existing or only slightly modified mechanisms is often more efficient than starting new bodies as the former have a permanent local presence. Newly formed, temporary bodies such as the DCCs, were generally coordinated from Kathmandu, which increased dissatisfaction among local government officers based in the districts who were often left in charge of the day-to-day work of these new bodies without having decision-making power. With local body restructuring starting in Nepal, the transfer of responsibilities related to earthquake reconstruction and recovery is a challenge and more confusion and communication difficulties may occur.

The limited formal involvement of political parties during reconstruction was seen as counter-productive in many areas, leading to obstructions rather than the constructive involvement of local leaders and political party representatives. That the involvement of political party representatives could indeed be useful was observed during the cash grant agreement process, when they were found to be assisting government officials and earthquake survivors in constructive

ways after initial protests were resolved. Generally, however, political parties were not focusing on earthquake recovery in their activities and debates at the local level. With local elections announced for May 2017, political parties may become more involved in reconstruction, both during campaigning and after local representatives have been elected. The sidelining of local political leaders during decision-making on earthquake-related activities may no longer be possible nor desirable.

***Recommendation 13: 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 14: Provide clearer and timelier information to local government offices at the Gaupalika level to facilitate the efficient provision of information on programs and procedures.***

***Recommendation 15: Involve local stakeholders such as political parties and citizen representatives in communication on reconstruction policies and plans to spread information more efficiently to all areas.***

***Recommendation 16: Develop plans for the clear transfer of responsibilities related to reconstruction and recovery work to new local bodies after local body restructuring.***

These recommendations are those of the authors alone, not the donors to IRM.





Photo: Ishwari Bhattarai



# Annex A.

## Methods

This report is based on in-depth qualitative field research conducted from 27 August–13 September 2016. Six teams, each of three researchers, visited six earthquake-affected districts: Gorkha, Okhaldhunga, Ramechhap, Sindhupalchowk, Solukhumbu, and Syangja. Research teams visited 36 wards in 18 VDCs/municipalities across these six districts (three VDCs/municipalities per district and two wards per VDC/municipality).<sup>152</sup> The teams spent around two days in each ward (three to four days in each VDC). At the beginning of their research, teams also spent one to two days in the district headquarters to gather information on the district-level dynamics of the aid response.

The research teams used qualitative methods to gather two kinds of data. First, they collected standardized

data on the five focus areas at the district, VDC, and ward levels. This facilitated comparisons of the impact, emerging issues, and the disaster response across research sites and also the recovery process since the second round of research in February/March 2016. Second, teams provided a descriptive picture of the five research areas through in-depth field research at the ward level, using the following research instruments: (i) key informant interviews; (ii) focus group discussions and informal group discussions; (iii) citizens interview; and (iv) participant observation and informal interviewing. Case studies were also developed detailing the experiences of individuals, families, and occupational groups. While developing case studies follow up on case studies developed during first and second round of research was prioritized.

**Table A.1:** Number of respondents by district

| District       | Focus group participants |      | Key informant interview respondents |      | Total |
|----------------|--------------------------|------|-------------------------------------|------|-------|
|                | Female                   | Male | Female                              | Male |       |
| Syangja        | 18                       | 22   | 21                                  | 47   | 108   |
| Solukhumbu     | 17                       | 10   | 16                                  | 25   | 68    |
| Sindhupalchowk | 10                       | 15   | 18                                  | 55   | 98    |
| Ramechhap      | 32                       | 12   | 3                                   | 53   | 100   |
| Okhaldhunga    | 6                        | 22   | 42                                  | 97   | 167   |
| Gorkha         | 18                       | 22   | 4                                   | 57   | 101   |
| <i>Total</i>   | 99                       | 105  | 104                                 | 334  | 642   |

Collecting this information involved interviews and focus group discussions with a wide range of people at the local level: elites and non-elites; men and women; government officials and traditional leaders; people affected to varying extent by the earthquake; aid recipients; and those who have not received assistance. In total, 438 key informant interviews were conducted

across the 36 wards, and 204 people participated in focus group discussions. Forty of the individuals interviewed were district level officials, while 58 government employees were interviewed at the VDC/municipality level including VDC/municipality officers, NRA-deployed engineers and employees of other local government offices such as police, health centers, and agricultural and livestock offices. Twenty-four of the key informant interviews for this research were conducted with Ward Citizen Forum (WCF) coordinators. Out of the 642 people interviewed (including people who participated in FGDs), 209 were female. Table A.1

<sup>152</sup> Teams visited 15 VDCs and three municipalities (Ramechhap municipality in Ramechhap, Dudhkunda municipality in Solukhumbu, and Waling municipality in Syangja).

shows the number of respondents engaged in each of the six research districts. In addition to key informant interviews and focus group discussions, at least 10 citizens interviews were conducted in each ward. In total, 363 interviews were conducted with common citizens during this research round, of which 192 were male and 171 female.

A common list of key informants was used by all

research teams to set initial interviews in each location (at the district, VDC, and ward levels). A snowballing approach was used for subsequent interviews that sought to explore the key local themes of recovery, as well as to engage and identify specific individuals identified as knowledgeable or influential. Focus group discussions were organized to explore specific aspects of the local recovery process.

## Site selection

Sampling of locations was done at three levels—district, VDC/municipality, and ward—to maximize variation in two key factors that were predicted

would affect the nature and speed of recovery: (i) the degree of impact of the earthquake; and (ii) degree of remoteness.

## Districts

Districts were selected to vary by level of earthquake damage as per the categorization of the impact on districts according to the PDNA. Three severely hit, one crisis hit, one hit with heavy losses, and one hit districts were selected. In order to cover at least one district from each of the PDNA impact categories, which was only released after the first phase of research began, two new districts, Ramechhap and Solukhumbu, were added in place of Dolakha and Makawanpur for

the second round of research. Districts visited for the third round of research remained the same as for the second round:

- Severely hit: Gorkha, Ramechhap, Sindhupalchowk
- Crisis hit: Okhaldhunga
- Hit with heavy losses: Solukhumbu
- Hit: Syangja

## VDCs/municipalities

Within each district, three VDCs/municipalities of varying impact and accessibility levels that were chosen during previous rounds were continued in the third round. With regard to the levels of impact, VDCs/municipalities were categorized as: high, when more than 50 percent of houses were destroyed; medium, when 20-50 percent of houses had been destroyed; and low, when 10-20 percent houses were destroyed.

Accessibility was categorized as follows: accessible (high accessibility), within a four-hour drive of the district headquarters; remote (low accessibility), over four hours' drive and/or walk from the district headquarters. This sampling strategy allows for an assessment of the extent to which both levels of damage and accessibility affect recovery.

**Table A.2:** Criteria for VDC/municipality selection

| District   | Level of impact             | Level of accessibility   |
|--|-----------------------------|--|
| Hit<br>(1 district, 3 VDCs/municipalities)<br>- Syangja                    | High (1 VDC/municipality)   | Either high or low depending on where the most highly-affected area is |
|  | Medium (1 VDC/municipality) | High (1 VDC/municipality)  |
|  | Low (1 VDC/municipality)    | Low (1 VDC/municipality)   |
| Hit with heavy loss<br>(1 district, 3 VDCs/municipalities)<br>- Solukhumbu | High (1VDC/municipality)    | High (1 VDC/municipality)  |
|  | Medium (1 VDC/municipality) | Low (1 VDC/municipality)   |
|  | Medium (1 VDC/municipality) | High (1 VDC/municipality)  |



| District  | Level of impact              | Level of accessibility   |
|---|------------------------------|--|
| Crisis hit<br>(1 district, 3 VDCs/municipalities)<br>- Okhaldhunga                                  | High (1 VDC/municipality)    | Low (1 VDC/municipality)   |
|   | Medium (1 VDC/municipality)  | High (1 VDC/municipality)  |
|   | Low (1 VDC/municipality)     | High (2 VDCs/municipalities)                                     |
| Severely hit<br>(3 districts, 9 VDCs/municipalities)<br>- Gorkha<br>- Ramechhap<br>- Sindhupalchowk | High (5 VDCs/municipalities) | Low (3 VDCs/municipalities)                                      |
|   |                              | High (2 VDCs/municipalities)                                     |
|   | Medium (3 VDCs/MCs)          | Low (1 VDC/municipality)   |
|   |                              | High (1 VDC/municipality)  |
|   | Low (1 VDCs/municipality)    | Either high or low depending on where the least affected area is |

Research teams conducted selection of the VDCs/municipalities at the district headquarters level based on information on levels of impact and remoteness gathered from key informants at the beginning of the first round of research in early June 2015 (at the beginning of the second round in late February 2016 for the two new districts Solukhumbu and Ramechhap).

In some cases, field teams had to adjust selection of VDCs/municipalities based on higher or lower levels of damages in VDCs/municipalities across the district or depending on which places they were logistically able to visit. This influenced the classifications of wards used for the analysis throughout this report – see below. See Table A.2 for a list of VDCs/municipalities selected.

## Wards

Wards were selected based on information gathered in the VDCs/municipalities on levels of impact and location of the wards. In each VDC, teams conducted research in the ward where the hub (center) is located as well as a less accessible ward located up to a day's drive and/or walk away from the hub. In the case of the districts that were part of the IRM-1, the wards that were selected in the first round of research were continued in this round also.

Wards are the main unit of analysis for this research. As such, wards were classified based on levels of impact after completion of the field research for the purpose of analysis and comparisons between wards – see below.

## Ward classification

During the analysis stage, wards were classified separately to reflect the significant variance in levels of impact observed by research teams. Wards were classified according to estimates of the actual level of damage. Estimates were based on information gathered by research teams at the VDC/municipality and ward levels. The factors taken into account

here were: (i) the percentage of homes completely destroyed/collapsed; (ii) damage assessment data available at the VDC or district headquarters in the case of two new districts; and (iii) the percentage of homes rendered unlivable (but not completely destroyed/collapsed).

**Table A.3:** VDCs visited and ward classification

| District impact | District | VDC/municipality | Ward # | Ward Impact |
|-----------------|----------|------------------|--------|-------------|
| Severely hit    | Gorkha   | Barpak           | A      | Highest     |
|                 |          |                  | B      | Highest     |
|                 |          | Dhuwakot         | A      | Medium      |
|                 |          |                  | B      | High        |
|                 |          | Tanglichok       | A      | High        |
|                 |          |                  | B      | High        |

| District impact     | District       | VDC/municipality     | Ward # | Ward Impact |
|---------------------|----------------|----------------------|--------|-------------|
| Severely hit        | Sindhupalchowk | Baruwa               | A      | Highest     |
|                     |                |                      | B      | Highest     |
|                     |                | Lisankhu             | A      | High        |
|                     |                |                      | B      | High        |
|                     |                | Syaule               | A      | High        |
|                     |                |                      | B      | Highest     |
|                     | Ramechhap      | Bamtibhandar         | A      | High        |
|                     |                |                      | B      | High        |
|                     |                | Ramechhap            | A      | High        |
|                     |                |                      | B      | High        |
| Doramba             | A              | Medium               |        |             |
|                     | B              | Medium               |        |             |
| Crisis hit          | Okhaldhunga    | Baruneshwor          | A      | High        |
|                     |                |                      | B      | High        |
|                     |                | Katunje              | A      | Medium      |
|                     |                |                      | B      | Medium      |
|                     |                | Prapcha              | A      | High        |
|                     |                |                      | B      | High        |
| Hit with heavy loss | Solukhumbu     | Nele                 | A      | Medium      |
|                     |                |                      | B      | High        |
|                     |                | Kerung               | A      | Medium      |
|                     |                |                      | B      | Medium      |
|                     |                | Dudhkunda            | A      | Low         |
|                     |                |                      | B      | Medium      |
| Low                 | Syangja        | Aarukharka           | A      | Low         |
|                     |                |                      | B      | Low         |
|                     |                | Shreekrishna Gandaki | A      | Low         |
|                     |                |                      | B      | Low         |
|                     |                | Waling               | A      | Medium      |
|                     |                |                      | B      | Medium      |

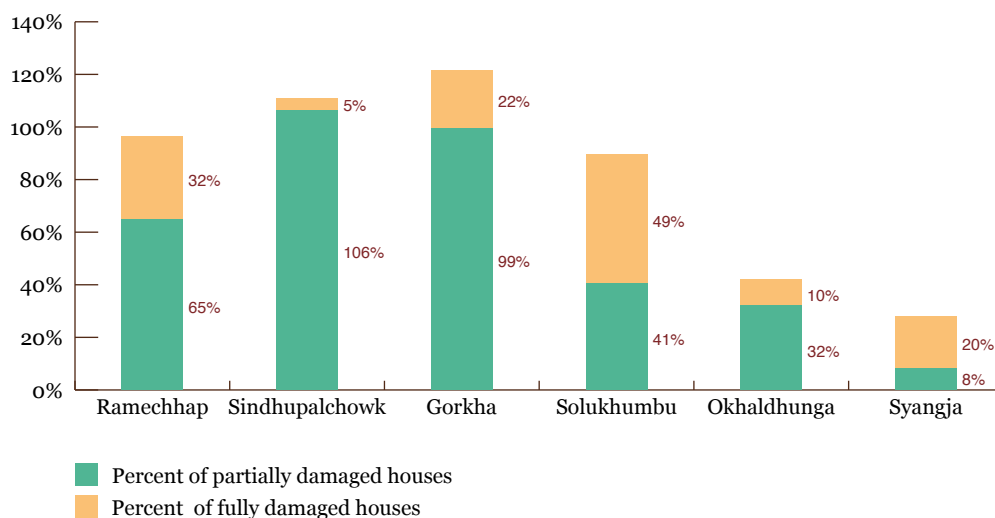
# Annex B:

## Earthquake Impacts<sup>153</sup>

The earthquakes of 25 April and 12 May 2015 and subsequent aftershocks caused 8,856 deaths and left 22,309 injured. The PDNA stated that 498,852 private houses were fully damaged and 256,697 private houses were partially damaged in 31 districts. However, according to the latest results from CBS assessments, 626,695 private houses across the 14 most affected districts have been identified as fully damaged and are eligible to receive reconstruction cash grant agreement.<sup>154</sup> Similarly, 19,866 private houses have

been assessed as partially damaged and are eligible for retrofitting cash grant.<sup>155</sup> In Sindhupalchowk and Gorkha, two of the three severely hit districts, the official count of houses that were reported fully and partially damaged is higher than the total number of houses in the 2011 census. This may have been caused by underreporting in the 2011 census, flawed damage assessments, or families splitting in the aftermath of the earthquakes to claim separate relief.

**Figure B.1:** Percentage of fully and partially damaged houses by district



Despite suffering similar level of damages to houses as the other severely hit districts of Gorkha and Ramech-

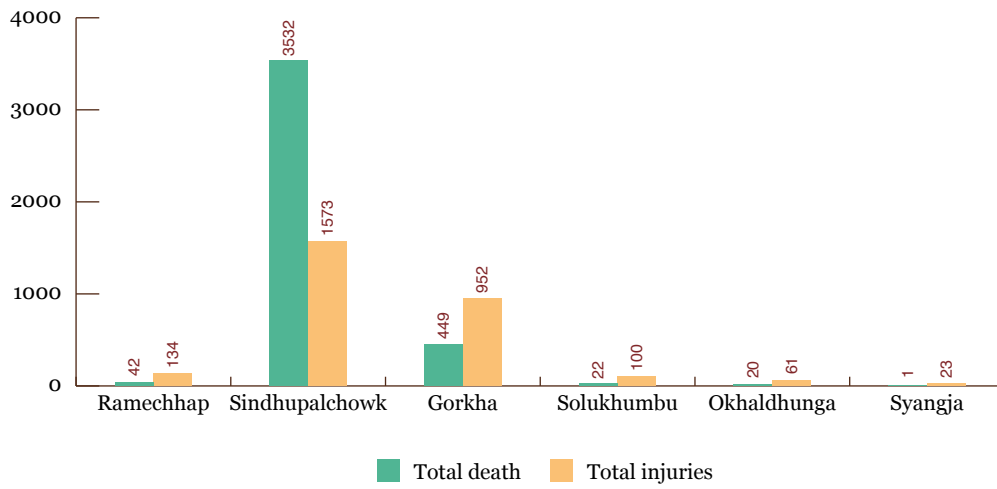
hap, Sindhupalchowk had 3,532 deaths compared to 42 in Ramechhap and 449 in Gorkha.

<sup>153</sup> [www.drrportal.gov.np](http://www.drrportal.gov.np)

<sup>154</sup> NRA Note on the state of distribution of Reconstruction Cash Grant, January 31, 2017 (available at: <http://nra.gov.np/news/details/205>). Also note, this data includes assessments from only 14 districts of 31 earthquake-affected districts.

<sup>155</sup> The Himalayan Times, 19,866 to get aid for retrofitting houses, 13 February 2017 (available at: [https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm\\_source=HRRP+Partners+List&utm\\_campaign=04fdd1fc76-EMAIL\\_CAMPAIGN\\_2017\\_02\\_20&utm\\_medium=email&utm\\_term=0\\_62c42cfbf3-04fdd1fc76-91915509](https://thehimalayantimes.com/nepal/19866-get-aid-retrofitting-houses/?utm_source=HRRP+Partners+List&utm_campaign=04fdd1fc76-EMAIL_CAMPAIGN_2017_02_20&utm_medium=email&utm_term=0_62c42cfbf3-04fdd1fc76-91915509)).



**Figure B.2:** Numbers of deaths and injured in districts visited

In addition to the impacts of the earthquakes, survivors have also had to endure hardships during two monsoons and one winter, by the time of IRM-3, due to lack of proper shelter. This was particularly difficult

for people who were displaced from their original locations, and marginalized and poor households who were lacking the means to finance the reconstruction of or major repairs on their houses.



Photo: Chiran Manandhar











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