Aid and Recovery in Post-Earthquake Nepal

Independent Impacts and Recovery Monitoring Phase 2
Quantitative Survey: February and March 2016

The Asia Foundation

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Independent Impacts and Recovery Monitoring Phase 2

Quantitative Survey: February and March 2016

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

Cover photo: Alok Pokharel
Design: Deddeaw Laosinchai

PREFACE

In June 2015, The Asia Foundation began a longitudinal series of studies that seek to provide insights into the effectiveness of aid delivery and its impact on recovery in the aftermath of the disastrous earthquakes of April-May 2015 in Nepal. The studies track changes over time through a mix of quantitative and qualitative research methods to assess and understand how local contextual factors interact with state and non-state provision of aid. In doing so, the series go beyond damage assessments that have tended to focus on the quantification of impacts and costs. They focus also on social relations, cooperation and conflict, politics and leadership, and how they, with current aid efforts, shape the coping strategies of those affected. Combined with analysis of shifts in government structure and policy over the course of the series, the studies provide valid and reliable data on the direction and magnitude of public sentiment about state performance. They also enable a sharper focus and more precise placement of recovery/reconstruction goods and services.

Field data collection for the first study was completed two months after the quakes, with reports on findings from in-depth fieldwork and from a large representative household survey released in parallel. At the time, the Nepali government had completed a Post-Disaster Needs Assessment and successfully organized a donors' conference to help determine the overall level of official development assistance and government funds needed to recover from the disaster. Our first study affirmed the magnitude of the earthquakes' impacts. Housing destruction was widespread in highly impacted districts. In many wards in medium and lower impact districts, levels of destruction were higher than aggregated district level data revealed. The study also noted some crucial gaps in aid distribution. Many in highly impacted wards in medium impact districts missed out. There were vast differences across districts on how initial damage assessments were done and how it was determined who was eligible for a beneficiary card.

The second round of research, the findings of which we report here, involved fieldwork in February and March 2016, almost one year on from the earthquakes. The Nepali government established a National Reconstruction Authority early this year and commissioned the development of a framework for recovery and reconstruction over the short, medium, and longer terms. Around the same time, violent protests surrounding the promulgation of the new constitution, and a debilitating five-month blockade along the Nepal-India border, had petered out. Findings from the second round of research thus provide a valuable snapshot of Nepali state performance over the course of a year of political turmoil as well as a substantive baseline that will allow for a future assessment of the NRA's performance.

Among the many interesting findings of the second study, the following are emblematic:

- Okhaldhunga district needs attention; only two percent of people in this crisis hit district received food aid in this round;
- Borrowing has risen with the number of borrowers doubling and average loan size increasing by over 400 percent in severely hit districts; there is great risk of a debt trap for the most vulnerable;
- There is a need to focus livelihood support on farming which is the main source of income of most people and which is recovering slower than other livelihoods; and
- Eighty percent of survivors in severely hit districts are still in contemporary shelter.

The third and fourth studies in the series are scheduled for September-October 2016 and March-April of 2017.

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

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Both the IRM-1 and IRM-2 surveys were implemented by a team from Interdisciplinary Analysts (IDA). IDA's work was led by Sudhindra Sharma. While Sudhindra provided overall guidance, Hiranya Baral coordinated the survey fieldwork, Bal Krishna Khadka provided essential support in thinking through the implications of the technical aspects of the survey methodology, Chandra KC worked on getting the dataset in a form ready for analysis and generated a large set of initial tables, and Sandeep Thapa designed the software for data entry. Kurt Burja of the World Food Programme provided the NeKSAP food security data which is used in Chapter 5.

Analysis of the data was done by Sangamitra Ramachander, Anup Phayal, and Patrick Barron, who co-authored the report. Sasiwan Chingchit provided research support and inputs throughout.

A number of people provided useful inputs at various stages, including in the formation of the questionnaires, finalization of the sampling strategy, and analysis of the data. They include George Varughese, Mark Koenig, and Lena Michaels (The Asia Foundation) and Sudip Pokharel and his team (Democracy Resource Center Nepal). Patthiya Tongfueng provided editorial assistance and Deddeaw Laosinchai designed the report.

Many thanks to the people of the 14 affected districts who spent time sharing their views with the research teams. In 11 of these districts, many people were interviewed twice, once in IRM-1 and again in IRM-2. We particularly value the time they have taken to contribute to the research.

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 given useful inputs at every stage.

The views here do not necessarily reflect the UK or the Swiss government's official policies.

Executive Summary

One year since two major earthquakes hit Nepal, the situation in affected areas reveals the depth of impacts and the complex ways in which recovery is occurring. This report provides data and findings from a large household survey, conducted in 11 quake-impacted districts from February-March 2016. It is part of a larger longitudinal mixed methods study—the Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM)—which involves multiple waves of household surveying and in-depth qualitative fieldwork. IRM is based on the belief that the impacts of major disasters do not only manifest immediately but play out in complicated and multidimensional ways over the longer run. For the Government of Nepal and its partners to develop and implement effective recovery programs, there is a need to understand these deeper impacts and how aid responses and coping mechanisms, as well as socio-political context, shape the recovery. The first round of IRM research was conducted in June 2015. Findings in this report are from the second wave of the quantitative survey involving face-to-face interviews with 4,850 respondents and 305 ward leaders.

Livelihoods

The earthquakes affected the livelihoods of around half of the people living in the earthquake zone. Impacts were more prevalent in the districts where the earthquake led to more infrastructure damage, with 76% affected in severely hit districts, 56% in crisis hit districts, 34% in hit with heavy losses districts, and less than 10% in the hit district. Businesses were most likely to be totally or somewhat affected but have recovered more than other livelihoods. The impacts on livelihoods were more widespread in urban areas than in rural ones. There is a high correlation between the impacts of the earthquake on housing and on livelihoods at the district level. This suggests that the PDNA earthquake impact categories are reflective of damage to sources of income in addition to property. Sindhupalchowk, a severely hit district, saw the greatest damage in terms of both livelihoods (97%) and homes (91%). In severely hit districts, those who farm their own land and livestock farmers have had the slowest rate of recovery while businesses and wage labor performed better in these areas than elsewhere. Lower caste groups have suffered slightly lower impacts to livelihoods than higher caste groups and Janajatis. Damage to wage work and livestock rearing have tended to have a larger impact on lower income segments. There are no discernible differences in livelihoods affected between men and women or between those with and without disabilities.

Coping strategies

Borrowing has massively increased since IRM-1 was conducted in June 2015. More than twice as many people have borrowed and average loan sizes have increased 240%. Increases in the number of people borrowing, and in loan sizes, are greatest in the severely hit districts. People are predominantly borrowing for livelihoods, food, and shelter. Borrowing appears to be used as a coping strategy by a greater share of people in poorer districts. However, major credit constraints, such as smaller loans received and higher rates of loan refusals, affect vulnerable groups such as the poorest, women, lower castes, and the disabled. Formal loan sources are becoming more important. But the largest loans are still from moneylenders who charge the highest interest rates. Moneylenders are particularly active in poorer districts. Banks lend mainly in urban areas. The proportion of people who say remittances are a main income source has increased. But total remittances from abroad are either staying at the same level (76%) or declining (13%). Six percent of people have sold assets with most of these being livestock. Migration levels have been low (6%) and most of those who migrated returned home.

Earthquake relief

The nature of aid has changed since IRM-1. There has been a decline in the distribution of tarps and food

but a large increase in the provision of cash. Aid is still concentrated in severely hit districts. However, there has been a move towards decreased coverage in more affected districts and increasing coverage in less affected districts, especially by INGOs and NGOs. The overall amount of aid appears to have declined. There has been an increase in the number of people not receiving aid, in particular in Okhaldhunga district, where only 2% now receive food aid and many are borrowing for food. There appears to have been an over-distribution of tarps to those who may not need them. The number of people receiving CGI has increased but provision is insufficient to meet needs. There has been little distribution of reconstruction materials. Government cash aid has been more widely distributed, and at higher volumes, than non-government cash, which has tended to go to lower impact districts and to people who have not received government cash. However, cash received has been insufficient to meet needs. The government, NGOs, INGOs, and the Red Cross remain the main providers of aid and people are more satisfied with these providers than in the past. Satisfaction levels are highest in Solukhumbu, which has received large quantities of assistance while sustaining lower impact. Almost all people whose house was classified as fully damaged in the damage assessments have received beneficiary cards. However, many others have also received cards. Satisfaction with the damage assessments is not fully determined by whether people received a beneficiary card or not. Both government and non-government cash has been targeted at people who received beneficiary cards. The poorest and the richest are the least likely to have received aid since June 2015. Non-government cash has been less likely to go to poor people in rural areas. Janajatis are more likely to have received aid than others. However, low caste people are more likely to be satisfied with aid providers. Aid appears to have been well targeted by housing damage. Of those who received aid, those whose house was less damaged are more satisfied. There are no major differences in the experience of aid between men and women and the disabled and non-disabled.

Needs and services

Cash, shelter, and food remain the priority needs of people. Over two-thirds of people identify cash as a priority immediate need, over 85% in severely hit districts. Eighty percent of people in severely hit districts are still living in self-constructed temporary shelters, with shelter needs highest in Nuwakot, Ramechhap, and Sindhupalchowk districts. People increasingly want reconstruction materials (or cash to buy them) rather than CGI or tarps. Reconstruction materials are in high demand amongst those whose house was badly but not completely damaged. There is a need to ensure these people also receive assistance to rebuild. Many people who are now staying in their own or others' houses say they need reconstruction materials, suggesting that they are currently living in unsafe houses. Where levels of food aid have declined, food consumption has decreased. Food aid has been successfully targeted at areas that are more severely food insecure. Yet people in these areas are more likely to say food consumption has decreased, suggesting volumes of food aid are not sufficient. Dissatisfaction with most public services has increased since IRM-1, with schools being the exception. Dissatisfaction is highest amongst the richest, the most educated, and those from higher castes.

The fuel crisis

The crisis affected access to fuel for cooking for two-thirds of people. Access to fuel for transportation was less affected, in part because half of respondents said they do not need transportation fuel. Rural, lower income, and lower caste groups tend to have had their access to fuel more affected than other groups. Those living in temporary shelters are the most likely to have had their access to fuel for cooking affected. Of those able to obtain fuel for cooking, the most important source by far is wood, which tends to be used more among people in temporary shelters and much more in rural areas. More people got fuel on the regular or black market than from the government. In urban areas, 14% bought fuel on the black market. Richer people were more likely than poorer ones to buy on the black market. The poorest were the least likely to receive free fuel from the government. One-half of people paid more for fuel during the crisis. While people who live in rural areas suffered more, with less access to fuel, they were less likely to pay more because they tend to use wood rather than buy fuel on the black market. People with the lowest income were the most likely to pay more for fuel during the crisis. Disability and gender did not affect access to fuel. There were no major differences in prices paid by caste, gender, or disability. Ninety-five percent of people reported that the price of basic staples increased during the crisis. One-quarter of people in severely hit districts said that aid completely stopped during the crisis; 41% said it continued but at lower volumes than before.

Politics

Satisfaction with the aid response of political parties has declined since IRM-1. The drop is greatest in severely hit districts. Among those who were satisfied in IRM-1, 72% now say they are dissatisfied. Only 32% of all respondents are satisfied with local political parties. There are indications that declines in satisfaction are higher in areas where less aid was

received. Those with higher incomes or education, and people who are either high caste or Janajati, are more likely to report low levels of satisfaction. Satisfaction with the aid response of the central government has increased since IRM-1 but one-third are still dissatisfied. Among those who were satisfied in IRM-1, 32% now say they are dissatisfied. Patterns are similar to those of attitudes towards local parties. People in higher impact districts are more likely to be dissatisfied than those in lower impact districts. Most people do not know who they will vote for in the next election. Amongst those who have decided, there is increased support for Nepali Congress and CPN-UML with a slight drop in support for UCPN (Maoist). UCPN (Maoist) voters tend to live in severely hit districts and large share of them are uncertain about who to vote for in next election. Those in lower caste group were more likely to vote for UCPN (Maoist) but the drop in planned voted for the party holds for all caste groups. RPP-N has been most successful in recruiting voters who chose other parties last time around. Visits from Constituent Assembly members to earthquake-affected wards are quite rare and have dropped slightly since IRM-1, with only one-third reporting that visits took place since the 2015 monsoon.

Social relations and violence

Reported levels of violence are very low in the affected areas; people's feelings of safety have improved since IRM-1 and are at very high levels. Respondents in rural areas feel safer compared to those in urban areas. More people living in self-constructed shelters on public land or who are renting feel unsafe than people living in other accommodation. Most people feel that community members can cooperate with each other to deal with problems. However, people in the most affected districts are less likely to agree. Eighty-nine percent of respondents feel people of every caste, religion, and ethnicity are equally able to receive aid according to their needs. Dalits, however, are far less likely than other groups to agree with this. There is a large increase from IRM-1 in the share of people who think Village Development Committees (VDCs)/municipalities are distributing aid fairly. Those in severely hit districts are the most likely to feel aid distribution has been fair while those in crisis hit districts, which have received much less aid despite high needs, are the least likely to agree. Dalits are more likely to feel that aid distribution by VDCs/municipalities has been fair. This suggests that there are other structural barriers to them receiving aid. Those with low income and lower education are most likely to feel aid distribution has been fair. People whose house was destroyed or badly damaged are more likely to feel aid distribution has been fair.

LIST OF ACRONYMS

CA	Constituent Assembly
CGI	Corrugated Galvanized Iron
CPN-UML	Communist Party of Nepal (Unified Marxist Leninist)
DRCN	Democracy Resource Center Nepal
EA	Enumeration area
IDA	Interdisciplinary Analysts
INGO	International non-governmental organization
IRM	Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal project
LGCDP	Local Governance and Community Development Programme
NeKSAP	Nepal Food Security Monitoring Program
NGO	Non-governmental organization
NMKP	Nepal Mazdoor Kizan Party
NPR	Nepali Rupees
PDNA	Post-Disaster Needs Assessment
RPP	Rastriya Prajatantra Party
RPP-N	Rastriya Prajatantra Party Nepal
UCPN (M)	Unified Communist Party of Nepal (Maoist)
UN	United Nations
VDC	Village Development Committee

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Photo: Tenzing Paljor

Chapter 1. Introduction

Photo: Aruna Rana Thapa

1.1 Background

Two major earthquakes hit Nepal in April and May 2015. The quakes are estimated to have affected the lives of eight million people—one-third of the country's population—with lives lost, houses destroyed and damaged, and livelihoods impacted. One year on, how are the earthquake-affected recovering? How effective has the aid response been? And what needs remain?

This report provides data and findings from a large household survey, conducted in 11 quake-impacted districts from February-March 2016. It is part of a larger longitudinal mixed methods study: the Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal (IRM, in short). IRM involves multiple waves of household surveying and in-depth qualitative fieldwork. This report provides quantitative findings from the second wave of surveying. It is published in parallel with a report outlining the qualitative data and a report synthesizing findings.[1]

The IRM project was premised on the belief that the impacts of major disasters such as the Nepal earthquakes do not only manifest immediately but play out in complex and multidimensional ways over the longer run. Many of the direct impacts—deaths and injuries, decimated houses, and physical infrastructure—are immediately apparent. A quantification of such damages and losses was conducted by the Nepal government and its partners in the form of a Post-Disaster Needs Assessment (PDNA)[2] and the first round of IRM also provided information on the level of destruction.[3] Yet disasters affect populations in many other ways that often take time to appear. Social, economic, and political structures and institutions can be affected by such massive shocks. Understanding these deeper impacts requires tracking levels of recovery, and things that are supporting or hindering it, over time.

The extent to which earthquake impacts endure, and their seriousness, will be affected by two things. First,

[1] 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 and March 2016)*. Kathmandu and Bangkok: The Asia Foundation; The Asia Foundation (2016). *Independent Impacts and Recovery Monitoring Nepal Phase 2 (February and March 2016) – Synthesis Report*. Kathmandu and Bangkok: The Asia Foundation.

[2] Government of Nepal (2015). *Nepal Earthquake 2015: Post-Disaster Needs Assessment (Volume A: Key Findings)*, Kathmandu: National Planning Commission (available at: http://www.npc.gov.np/images/download/PDNA_Volume_A.pdf)

[3] The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation.

Photo: Kushal Puri

the aid response, which has aimed to address immediate emergency needs while helping people recover. Second, the coping mechanisms and strategies employed by affected individuals. To understand why and how recovery is occurring or not, and how this differs across different population groups, it is necessary to assess what aid is going in to the earthquake zone, and the extent to which it matches with needs. It is also necessary to track what community members are doing to recover. Such information allows for assessments to be made of current and potential future challenges and needs. It can also enhance the response of the government, donors, and others aiming to support recovery.

A third factor has shaped recovery in post-earthquake Nepal. Following protests over a new contested Constitution, promulgated in the wake of the earthquakes, a fuel crisis hit Nepal. Between September 2015 and February 2016, fuel imports from India fell dramatically, with groups blockading the border. This additional shock had multifold impacts in earthquake-affected areas as prices rose and aid delivery slowed.

This report aims to paint a picture of the situation almost one year on from the earthquakes (IRM-2). Throughout, comparison is made with data and findings from the first wave of monitoring, conducted in June 2015 (referred to throughout this report as IRM-1). Future waves of surveying and fieldwork are planned for August 2016 and February 2017.

Focus areas

The report focuses on a number of areas:

- The impact of the earthquakes on people's *livelihoods* and the extent to which livelihoods are recovering (Chapter 2);
- The *coping strategies* employed by the affected (Chapter 3);
- The nature of the *aid response* since the beginning of the 2015 monsoon season and levels of satisfaction with aid providers (Chapter 4)
- Current *needs* in earthquake-affected areas and satisfaction with *services* (Chapter 5);
- The impacts of the *fuel crisis* (Chapter 6);
- Changes in local *politics* since the earthquake (Chapter 7);
- *Security* and *social relations* in affected areas (Chapter 8).

The report concludes with a summary of the main findings and a discussion of some of their implications. Annexes provide more details on the methodology employed.

1.2 Methodology and approach

Map 1.1: Location of surveyed districts

Sampling

The IRM-2 survey involved face-to-face interviews with 4,850 respondents (plus surveys with 305 ward leaders). These were conducted in 11 districts, all of which were covered in the IRM-1 survey (Map 1.1).

The IRM-1 survey was conducted in 14 districts. Three of these districts were dropped for IRM-2. IRM-1 was conducted before the PDNA was released and selection of districts was made from the 26 districts initially deemed affected by the government. Three of the selected districts (Manang, Khotang, and Dang), surveyed in IRM-1, were subsequently not included in the PDNA's classification of earthquake-impacted districts. As such, they were not part of the sample for the IRM-2 survey.

The IRM-1 survey involved the stratification of districts into three categories—high, medium and low impact—based on initial government estimates of housing damage. The PDNA later came up with new categories. The eleven remaining IRM survey districts fall into four of these categories (Table 1.1). Throughout the report, we use these PDNA classifications when presenting the data. (Severely hit districts are those deemed most affected; moving towards the right in the table, districts are less affected).

Table 1.1: Districts surveyed (IRM-2)

Severely hit	Crisis hit	Hit with heavy losses	Hit
Ramechhap	Okhaldhunga	Solukhumbu	Syangja
Gorkha	Bhaktapur	Lamjung	
Sindhupalchowk	Kathmandu		
Nuwakot			
Dhading			

Photo: Amanda Gurung

IRM-1 involved stratified randomized identification of respondents, ensuring that the survey results were representative of the full population in earthquake-affected areas. Because we aim to assess changes since IRM-1, we sought to re-interview those people who were interviewed in IRM-1. This was not always possible: some people had moved away or were not available at the time the enumeration teams visited selected wards. In total, 1,558 people were interviewed in both IRM-1 and IRM-2.

When IRM-1 was released, it was clear there was an appetite amongst policy-makers and practitioners for district-disaggregated data. IRM-1 allowed for this. But sample sizes were not sufficient to generate precise information on how districts compared with each other. As a result, IRM-2 bolstered the sample size within each district with a minimum of 350 people interviewed per district. This involved selecting an additional 67 wards, to complement the 238 surveyed in IRM-1. This allows for a margin of error of +/- 5.2% for district-disaggregated analyses. Across the whole sample, the error margin is +/- 1.4% at a 95% confidence interval. It should be noted that the larger sample size allows for more accurate estimates than was possible in IRM-1, and that the margins of error are very small compared to most surveys, in Nepal and beyond.

Another concern of policy-makers was the food (in)security situation. The Nepal Food Security Monitoring System (NeKSAP) collects monthly data

from local leaders that allows them to track changes in such insecurity. To help verify this, and to see how food insecurity is linked to other measures of vulnerability, IRM-2 boosted the sample in four districts (Sindhupalchowk, Ramechhap, Gorkha, and Okhaldhunga) with NeKSAP data used to help selected wards to be surveyed.

The boosting was done as follows. The 1,400 households in the main sample (350 per district for each of the four districts) were first classified per NeKSAP into four categories: minimally food insecure; moderately food insecure; highly food insecure; and severely food insecure. Following this, 250 households were added per district in order to create a total food security sample of 600 households per district, with an even representation across all relevant NeKSAP classifications for the district. The additional 250 households were added using a random sampling method, based on a list of households corresponding to each NeKSAP classification within the district. Analysis of this food security data is presented in Chapter 5.

Analysis

The rich survey data is used in a number of ways throughout this report.

First, for many analyses we compare the IRM-1 and IRM-2 data at the aggregate level, allowing for an assessment of changes over time. The IRM-2 survey was deliberately designed to mirror the IRM-1 instrument, with many of the questions remaining the same. This allows direct assessment to be made of changes over time. The IRM-1 survey tracked attitudes, perceptions, and experiences two months after the disaster. Many of the IRM-2 questions ask about changes and experiences since the IRM-1 survey was conducted. Most of the IRM-2 questions record information on what has happened since then, with the beginning of the 2015 monsoon period (June 2015) used as the time marker. For some areas, new questions were added to the IRM-2 survey, to explore further issues that came up in IRM-1 or to assess new issues, such as the fuel crisis. For these questions, data from IRM-2 is presented alone.

Second, because 1,558 households were interviewed in both IRM-1 and IRM-2, we can assess with more rigor how individuals' perceptions and experiences have changed over time. Some of the analyses in the report draw on data from this household panel.

Third, many of the analyses and data breakdowns compare aggregate responses from each of the PDNA impact categories: severely hit district; crisis hit ones; hit with heavy losses districts; and the hit district. These analyses provide a broad-brush picture of the differences (and similarities) between districts with varying degrees of earthquake impact.

Fourth, and as discussed above, most of the analyses are also broken down by individual districts. Each district has experienced the earthquake, and the aid response, differently. These granular analyses allow for an exploration of how districts vary, say in aid received, in coping strategies employed, in attitudes towards local leaders. This level of disaggregation means that, at times, the report gets into detailed analysis of the situation in specific districts. While this may somewhat disrupt the narrative flow, and point away from some of the 'big picture messages', we believe the analyses will be useful, in particular for those working in particular districts.

Fifth, analyses of the data are broken down by a host of demographic and geographic variables. Different groups of the population (men/women; people of different caste; people with different incomes; etc.) will likely have experienced the earthquake in different ways. And structural factors, related to these demographic factors, will also likely shape opportunities and constraints for recovery. Similarly, impacts and aid will likely differ between urban and rural areas. Disaggregating analyses by all these variables allows for a much finer assessment of differing patterns of impacts and recovery. The analyses provide information on which groups of people are more vulnerable.

Limitations

The survey data presented here is a result of a careful and methodical sampling design. The results are representative of the full population of the 11 surveyed districts. The survey was piloted to ensure that respondents understood questions and adjustments were made where necessary. As noted, the large sample size means that the estimates in the report are exceptionally accurate when compared to many other surveys, meaning we can have strong confidence that the findings are true to reality.

However, and as with all surveys, caution should be taken when interpreting findings. Quantitative research has both strengths and weaknesses.

First, surveys provide useful information on the situation of large numbers of people, selected such that findings can be generalized across the broader population. However, surveys are less well equipped to explain the underlying factors that determine different situations and attitudes – for example, *why* people feel safe or have not received aid.[4]

Second, information provided throughout the report is based on the reports of those interviewed. People may have incentives to over- or under-report the level of impact they experienced, whether or not they received aid, and so on. Many may not have full knowledge of the situation (e.g. who provided aid or whether politicians have visited their wards). The data and findings should be read with this in mind.

Third, some questions, such as whether violence has occurred or which party people plan to vote for, are sensitive and some may prefer not to answer them.

The IRM-2 synthesis report, published separately, combines information from both the quantitative survey and the in-depth qualitative fieldwork. This allows for a triangulation of findings and a deeper exploration of causal relationships – i.e. what is driving recovery.

[4] Throughout this report, we present correlations between outcome variables and factors that may be associated with them (for example, whether people received aid and the extent to which their house was damaged by the earthquakes). But even where we find close correlations, this does not mean that one causes the other.

Chapter 2. Livelihoods

Photo: Aneta Burairyte

The earthquakes had major impacts on people's livelihoods and sources of income. IRM-1, conducted in June 2015 shortly after the earthquakes hit, found that all occupational groups had suffered negative effects. Business people and daily wage laborers were particularly affected but farmers were also impacted. Almost one year on from the earthquakes, to what extent have livelihoods recovered?

This chapter provides information on the level of impacts to different occupational groups and on the likelihood that they have been able to recover. It also considers how livelihood impacts have differed for groups within the population and analyzes the extent to which livelihoods impacts and housing impacts are related.

Key findings:

Impacts of the earthquake on income

- Fifty-seven percent of people report that their livelihoods were affected by the earthquake. Seventy-six percent were totally or somewhat affected in the severely hit districts, 56% in crisis hit districts, 34% in hit with heavy losses districts, and less than 10% in the hit district.
- The livelihoods that were most likely to be affected are businesses (72%), daily wages (59%), and farming on own land (53%).
- Livelihoods in urban areas were more likely to be affected than in rural areas. Apart from farmers, a larger share of people within each occupation/source of income have been negatively impacted in urban areas.
- Lower caste groups have suffered slightly lower impacts to livelihoods relative to higher caste groups and Janajatis. There are no discernible differences in livelihoods impacts between men and women or between those with and without disabilities.

Links between livelihoods and housing impacts

- There is a high correlation between the impacts of the earthquake on housing and on livelihoods at the district level. This suggests that the earthquake impact categories are reflective of damage to sources of income in addition to property.
- In the severely hit districts, housing damage was more widespread than livelihoods damage. In most other districts, a greater proportion of people saw negative impacts on their livelihoods than on their houses.
- Sindhupalchowk saw the greatest damage in terms of both livelihoods (97%) and homes (91%).

Recovery

- Businesses are recovering more than other livelihoods.
- Severely hit districts have the slowest rate of recovery for those who farm their own land and livestock farmers compared to other districts. However, business and wage labor, the next two most common occupations, have seen more widespread recovery in severely hit districts than elsewhere.
- Remittances, although an income source for only a very small share in severely hit districts, has improved to the greatest extent (57%) in these districts.
- Damages to wage work and livestock rearing have tended to have a larger impact on lower income segments.

2.1 People's occupations and income in the earthquake zone

Farming is the predominant occupation in earthquake-affected areas (Table 2.1). Overall, farming, primarily on their own land, is a major source of income for 83% of people.[5] Eighteen percent generate income from livestock farming and 17% through business. Other occupations all have much smaller shares (1-3%).

Farming accounts for a larger share of people's sources of income in the severely hit districts. Nevertheless, the proportion of those whose generate income from farming is high and consistent across districts (86% and above), with the exceptions of Lamjung (74%), and Bhaktapur (65%). Kathmandu is the major exception with just 10% generating income from farming. In the national capital, 63% gain income from business, 19% from salaried work, and 9% from daily wage labor. Sixteen percent of households receive remittance incomes, with the lowest shares in Kathmandu and Bhaktapur. The highest shares are in Syangja, Dhading, and Lamjung.

Table 2.1: Main sources of income – by district impact and district (IRM-2)

District	Farm - own land	Farm - another's land	Daily wage	Business	Remittances	Private salary	Government salary	Pension	Rent	Livestock
Severely hit	**88%**	**7%**	**16%**	**10%**	**15%**	**5%**	**6%**	**5%**	**1%**	**29%**
Dhading	86%	3%	6%	11%	24%	10%	8%	7%	0%	3%
Gorkha	74%	12%	19%	15%	15%	6%	9%	7%	3%	11%
Nuwakot	93%	1%	10%	4%	13%	1%	4%	1%	0%	14%
Ramechhap	97%	11%	15%	8%	15%	4%	5%	6%	1%	87%
Sindhupalchowk	90%	6%	30%	13%	10%	6%	7%	3%	1%	33%
Crisis hit	**53%**	**6%**	**10%**	**33%**	**8%**	**16%**	**8%**	**6%**	**6%**	**7%**
Bhaktapur	56%	9%	7%	29%	6%	23%	12%	10%	9%	10%
Kathmandu	9%	1%	9%	63%	6%	19%	5%	3%	9%	0%
Okhaldhunga	95%	9%	12%	6%	13%	7%	7%	4%	0%	11%
Hit with heavy losses	**80%**	**3%**	**8%**	**11%**	**17%**	**2%**	**9%**	**6%**	**1%**	**12%**
Lamjung	70%	4%	12%	11%	23%	4%	12%	11%	1%	24%
Solukhumbu	90%	2%	4%	11%	11%	1%	6%	1%	1%	1%
Hit	**91%**	**3%**	**13%**	**9%**	**41%**	**3%**	**9%**	**10%**	**0%**	**3%**
Syangja	91%	3%	13%	9%	41%	3%	9%	10%	0%	3%
All districts	***77%***	***6%***	***13%***	***17%***	***16%***	***8%***	***8%***	***6%***	***2%***	***18%***

[5] People could choose multiple sources of income.

Photo: Kushal Puri

Table 2.2 shows the share of people who generate income from different sources with different levels of income. Within each group there is a wide distribution in the amount of income earned. Approximately 86% of those who generate income from farming their own land and 75% of wage workers, along with 60% who are engaged in livestock rearing, had incomes in the range of NPR 2,501-19,999 per month before the earthquakes hit.[6] Large shares of those involved in livestock farming, daily wage labor, or who generate incomes from rent or pensions, are amongst the poorest. In contrast, 68% of those who gain income from business, 72% who work in government, and 69% who are privately employed have incomes clustered in the range NPR 10,000-39,000 at the higher end of the income spectrum.

Table 2.2: Monthly income for each source of income (IRM-2)[7]

Main sources of income	<NPR 2,500	NPR 2,501 -9,999	NPR 10,000 -19,999	NPR 20,000 - 39,999	>NPR 40,000	Refused	Don't Know
Farming own land	3%	43%	43%	10%	1%	0%	1%
Farming other's land	2%	31%	52%	8%	2%	0%	6%
Daily wages	12%	31%	44%	10%	0%	0%	4%
Own business	7%	13%	41%	27%	9%	1%	3%
Remittance	5%	24%	39%	27%	4%	0%	1%
Wages from private company	6%	12%	49%	20%	10%	0%	4%
Wages from government service	4%	14%	51%	21%	8%	0%	1%
Pension	12%	32%	29%	21%	6%	0%	0%
Rent	12%	24%	41%	12%	12%	0%	0%
Livestock farming	20%	20%	40%	20%	0%	0%	0%
Total	***4%***	***37%***	***43%***	***13%***	***2%***	***0%***	***1%***

[6] Throughout this report, incomes reported are those in the immediate period before the first earthquake. Clearly, incomes may have changed for many since the earthquakes.

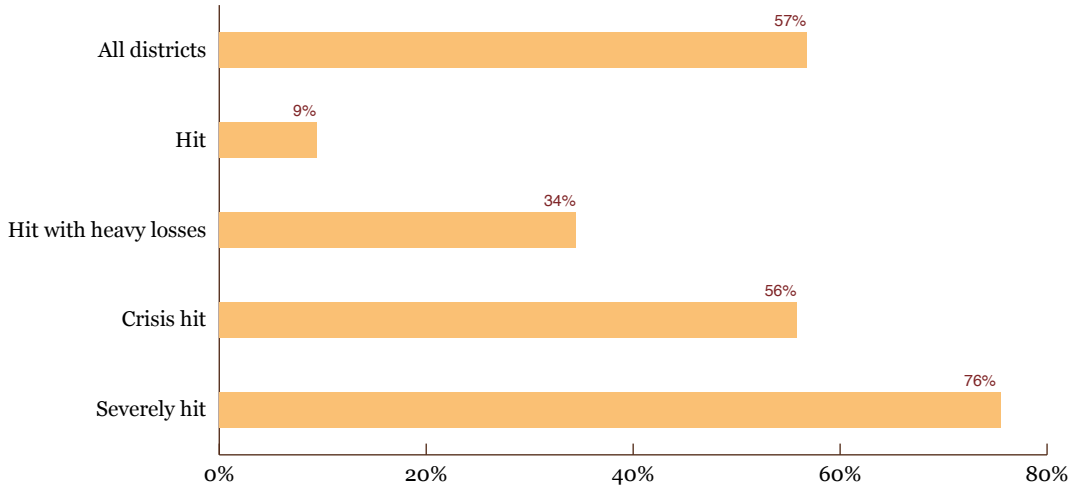
[7] For some of the tables, numbers add up to 99% or 101%. This is a result of rounding.

2.2 The impacts of the earthquakes on livelihoods and income

Overall, 57% said that their main sources of income were affected by the earthquakes, with shares affected declining with each successive impact category.[8] Seventy-six percent of people were affected in the severely hit districts, 56% in the crisis hit districts, 34% in hit with heavy losses districts, and less than 10% in Syangja, the hit district (Figure 2.1).

Despite this, only 0.6% of the total population, and 1% or less in each district, have changed their livelihoods in response (see the in-depth analysis of coping strategies in Chapter 3).

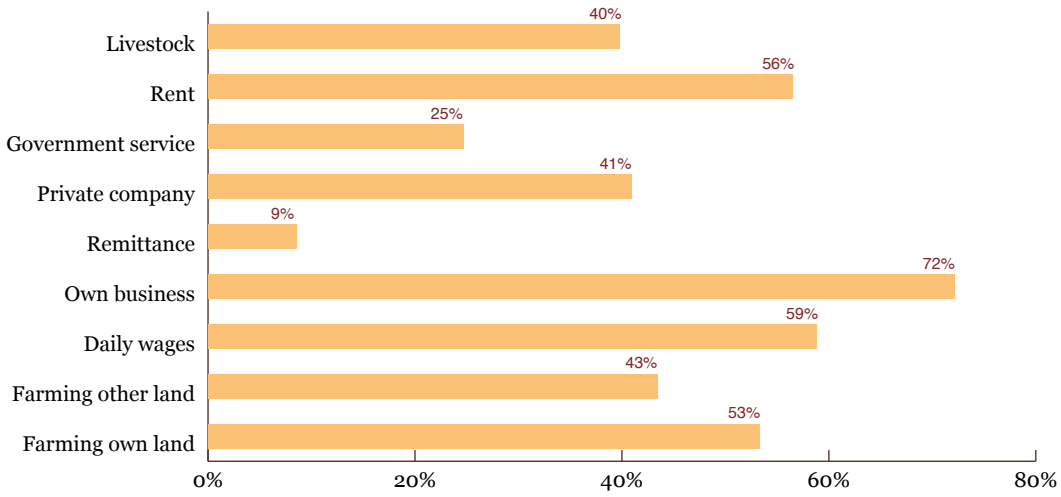
Figure 2.1: Share of people with at least one income source affected by the earthquakes – by district impact (IRM-2)



As was the case two months after the earthquake (IRM-1), those who work in business or who are daily wage labors are the most likely to say their income was negatively affected (Figure 2.2). Given that many wage laborers earned relatively little (Table 2.2 above), this suggests that this group may be particularly vulnerable. Over half of those who make money from renting property or from farming their own land also report that their income was negatively impacted. Those who work for the government and, especially, those for whom remittances is a primary source of income, were less likely to see their income negatively affected. These people also tend to have more income than many others.

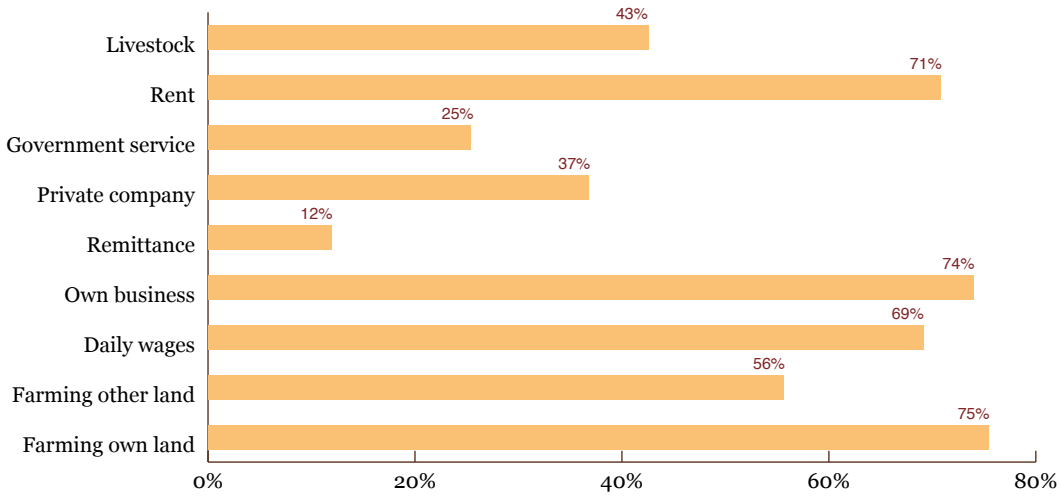
[8] This includes people who said their income was either severely or somewhat affected.

Figure 2.2: Share of people whose source of income was affected by the earthquakes – by source of income, all districts (IRM-2)



The picture changes somewhat if we focus on the districts most affected by the earthquakes (the severely hit districts). In these places, a much larger proportion of people saw their income negatively affected (Figure 2.3). In particular, farmers were much more likely to see negative impacts on their income than in most other districts. Given that 89% of people gain their income from farming in severely hit districts, it is clear that the livelihoods impacts were extremely widespread in these areas.

Figure 2.3: Share of people within each income source whose income from that source was affected by the earthquakes – by source of income, severely hit districts (IRM-2)



Livelihoods in a number of districts were particularly affected. Impacts on farmers' incomes were especially high in Gorkha, Nuwakot, and Sindhupalchowk (Table 2.3). Kathmandu, which saw less physical destruction from the earthquake, also has particularly high occupational impacts across many sources of income. Syangja, in the lowest earthquake impact category, was relatively insulated from negative effects on people's incomes.

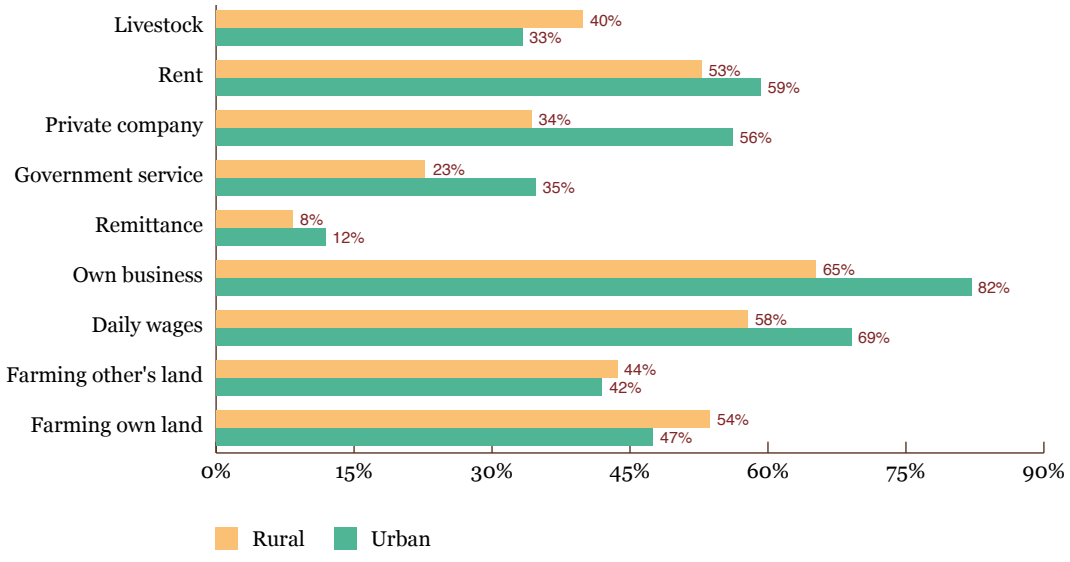
Table 2.3: Share of people within each income source whose income from that source was affected by the earthquakes – by district impact and district (IRM-2)[9]

	Farming own land	Farming other's land	Daily wages	Own business	Remittances	Private company	Government service	Rent	Livestock
Severely hit	**75%**	**56%**	**69%**	**74%**	**12%**	**37%**	**25%**	**71%**	**43%**
Dhading	57%	11%	38%	72%	8%	44%	36%	100%	20%
Gorkha	76%	56%	77%	68%	13%	20%	23%	33%	49%
Nuwakot	85%	40%	75%	64%	9%	20%	15%	-	27%
Ramechhap	69%	85%	72%	79%	18%	50%	32%	50%	40%
Sindhupalchowk	90%	86%	83%	87%	12%	50%	22%	100%	77%
Crisis hit	**41%**	**33%**	**60%**	**72%**	**12%**	**39%**	**31%**	**59%**	**20%**
Bhaktapur	50%	21%	65%	86%	14%	48%	47%	53%	44%
Kathmandu	52%	75%	75%	86%	20%	60%	26%	66%	0%
Okhaldhunga	20%	3%	40%	43%	2%	9%	20%	-	16%
Hit with heavy losses	**33%**	**8%**	**20%**	**44%**	**5%**	**25%**	**26%**	**33%**	**52%**
Lamjung	7%	15%	9%	23%	3%	0%	7%	0%	4%
Solukhumbu	60%	0%	31%	65%	8%	50%	45%	66%	100%
Hit	**9%**	**0%**	**11%**	**6%**	**6%**	**0%**	**3%**	-	**17%**
Syangja	9%	0%	11%	6%	6%	0%	3%	-	17%
All districts	***53%***	***43%***	***59%***	***72%***	***9%***	***41%***	***25%***	***57%***	***40%***

Note: Data on pensions affected unavailable from the survey, so are omitted.

Overall, livelihoods in urban areas were worse affected. The share of urban households reporting that livelihoods were somewhat or totally affected by the earthquake is 66% against 55% in rural areas. Farmers of all types were more likely to have seen negative impacts on their income in rural areas (Figure 2.4). However, for all other occupations, a larger share of people within each occupation/source of income were negatively impacted in urban areas.

Figure 2.4: Share of people within each income source whose income from that source was affected by the earthquakes – by urban/rural (IRM-2)



[9] The table shows the people within each occupation/source of income in each district whose income was negatively affected.

Who suffered damage to their livelihoods?

Income. There are differences in whether the richest or poorest were more likely to have their incomes affected across different occupations/sources of income (Table 2.4). In the category of business, where 72% reported their livelihoods were affected, the likelihood of being affected is highest in the top-most income bracket (81%) and the lowest income bracket (79%), with fairly high impacts across other income brackets (62%-76%). This suggests that the earthquake affected both large and small businesses. A similar pattern can be observed for daily wage laborers, with the impacts most widely felt amongst the very poorest and the richest. Within livestock rearing, more people with relatively lower income before the earthquake (NPR 2,501-20,000) were affected.

Table 2.4: Share of people within each income source whose income from that source was affected – by income band and source of income (IRM-2)

Monthly income	Farming own land	Farming other's land	Daily wages	Own business	Remittances	Government salary	Private Salary	Rent	Livestock
<NPR 2,500	36%	0%	78%	79%	27%	57%	75%	82%	19%
NPR 2,501 - 9,999	53%	40%	57%	62%	6%	36%	25%	82%	47%
NPR 10,000 - 19,999	57%	50%	59%	72%	9%	44%	25%	55%	41%
NPR 20,000 - 39,999	43%	35%	60%	76%	11%	36%	15%	28%	24%
> NPR 40,000	50%	100%	100%	81%	10%	57%	36%	57%	13%
Total	***53%***	***43%***	***59%***	***72%***	***9%***	***41%***	***25%***	***56%***	***40%***

Disability. There is not much difference in the proportion of disabled and non-disabled people whose occupations were negatively affected: 56% of the former have seen adverse income impacts versus 58% of the latter.

Gender. Men and women are equally likely to say their occupation was negatively impacted (both 57%).

Caste. Janajatis and those belonging to a higher caste are more likely to have had their livelihoods affected (59% and 56%, respectively) than lower castes (40%).

2.3 Links between housing and livelihoods damage

IRM-1 provided extensive information on the damage the earthquakes did to people's houses.[10] To what extent were occupations and income sources affected in districts that also saw high levels of housing damage?

Overall, there is a high correlation on the impact of the earthquake on housing and livelihoods at the district level (66%).[11] This suggests that the earthquake impact categories are reflective of damage to sources of income in addition to property.

Housing damage is reported by a larger share of the population (66%) than livelihood damage (57%). There is variation, however, between districts in the extent to which they saw both housing and livelihoods impacts (Table 2.5). In the severely hit districts, housing damage was more widespread (with 94% of houses affected) compared to livelihoods damage (76%). This was also true for Lamjung (in the hit with heavy losses category), Okhaldhunga (crisis hit), and Syangja (hit). For all other districts, a greater proportion of people saw negative impacts on their livelihoods than on their houses. In these districts, many people whose houses were not damaged have been impacted by the earthquake through negative effects on their livelihood.

[10] See Table 4.11 for an updated breakdown of housing damage by district.

[11] Housing damage refers to those homes that were reported by respondents as fully or badly damaged; livelihood damage refers to those livelihoods that were reported as being totally or somewhat affected by the earthquake.

Table 2.5: Housing damage and livelihood damage – by district impact and district (IRM-2)

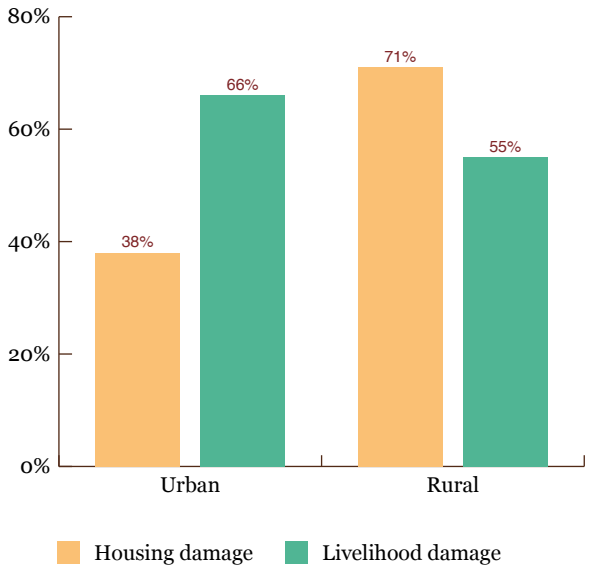
	Housing damage	Livelihood damage
Severely hit	**94%**	**76%**
Dhading	97%	57%
Gorkha	89%	71%
Nuwakot	97%	82%
Ramechhap	90%	76%
Sindhupalchowk	97%	91%
Crisis hit	**49%**	**55%**
Bhaktapur	60%	65%
Kathmandu	26%	75%
Okhaldhunga	61%	27%
Hit with heavy losses	**44%**	**34%**
Lamjung	35%	10%
Solukhumbu	52%	59%
Hit	**21%**	**9%**
Syangja	21%	9%
All districts	***66%***	***57%***

Sindhupalchowk experienced the greatest damage in terms of both livelihoods (97%) and homes (91%). There has been a greater flow of aid to this district than others (see Chapter 4), consistent with greater needs.

Among the other severely hit districts, livelihoods in Dhading were the least likely to be affected (57%), followed by Gorkha (71%), despite these districts showing a high degree of damage to housing (97% and 89%, respectively). These districts have a much higher share of non-agricultural income sources—business, government service, pensions, and remittance income—compared to the other severely hit districts; in the case of Gorkha, there is also a higher share of wage workers. Given that the likelihood of agriculture as an income source being impacted was significantly higher in the severely hit districts than in the overall sample,[12] the greater diversity in income sources in these two districts is likely to have mitigated the impacts.

In Kathmandu, far fewer households report that their house was damaged than report that their sources of income were negatively impacted. Only 26% of homes were damaged, compared to 75% of livelihoods affected. Within the same category of impact, 61% of houses in Okhaldhunga were affected, compared to just 27% of livelihoods. The sharply differing levels of housing damage between Kathmandu and Okhaldhunga appears to be the result of more resilient materials being used for home construction in Kathmandu. Fifty-five percent of houses in Kathmandu use pillared walls compared to none in Okhaldhunga; 96% of homes in Okhaldhunga have walls constructed with mud mortar compared to less than 1% in Kathmandu. Further, 78% of homes have concrete roofs in Kathmandu versus none in Okhaldhunga; and 49% of homes in Okhaldhunga have hay roofs compared to none in Kathmandu. There is strong suggestive evidence that the quality of housing materials, within the same category of impact, makes a significant difference to the overall extent of damage to housing at the district-level.[13]

Figure 2.5: Housing damage and livelihood damage – by urban/rural (IRM-2)



[12] These are significant by a t-test, which examined the difference in means of damage in agriculture versus damage in all other categories of livelihoods, for the severely hit districts and for the total sample.

[13] This confirms findings from IRM-1.

There is also a distinctly different livelihood profile between the two districts. Ninety-four percent of people in Okhaldhunga are engaged in agriculture against 8% in Kathmandu; 61% work in business in Kathmandu against 1% in Okhaldhunga. Given businesses are the most likely to report livelihood damage overall, it is not surprising that Kathmandu has more widespread damage to livelihoods.

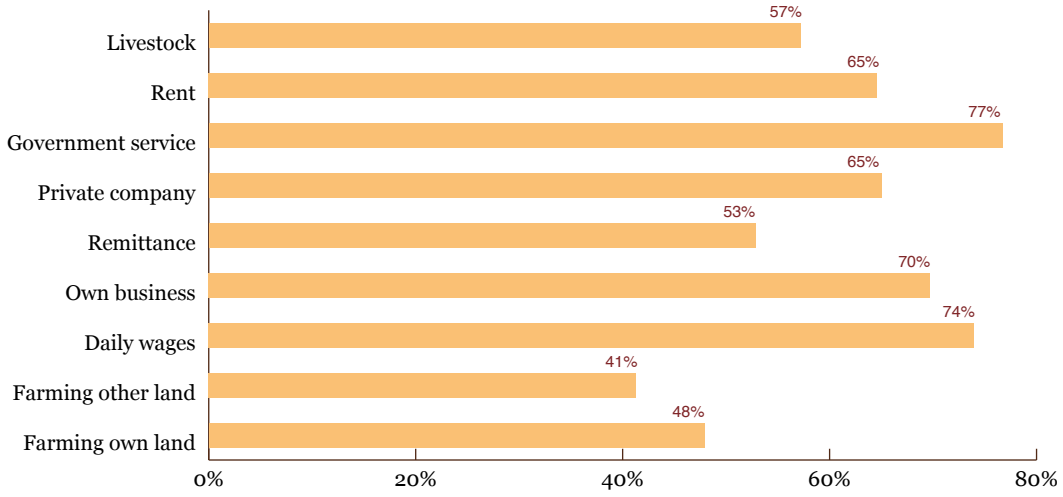
Overall, rural areas suffered a far greater share of housing damage (71%) than urban areas (38%) – Figure 2.5. The evidence on the use of different housing materials leading to different housing damage outcomes is supported here. Eighty-four percent in rural areas had homes with walls made with mud mortar against only 14% in urban areas; and 93% in urban areas used either galvanized or zinc roofs against only 63% in rural areas.

In contrast, urban areas experienced more widespread livelihood damage than rural areas (66% versus 55%), although the difference is less stark. The higher share of damage to urban livelihoods is likely a result of more people being engaged in businesses, private company employment, and wage employment relative to rural areas.

2.4 Recovery of livelihoods

Among the three major livelihoods—farming, livestock-rearing, and businesses—businesses have recovered the most in the last three months (Figure 2.6).[14] Seventy percent of those in business whose occupation was negatively affected report that their livelihood has improved over the past three months compared to 57% engaged in livestock rearing and 48% who farm their own land. Even larger proportions of those who work in government or who are daily wage workers, whose income was affected, have seen improvements in the last three months. But far fewer people work in these occupations (2.3% and 2.7%, respectively).

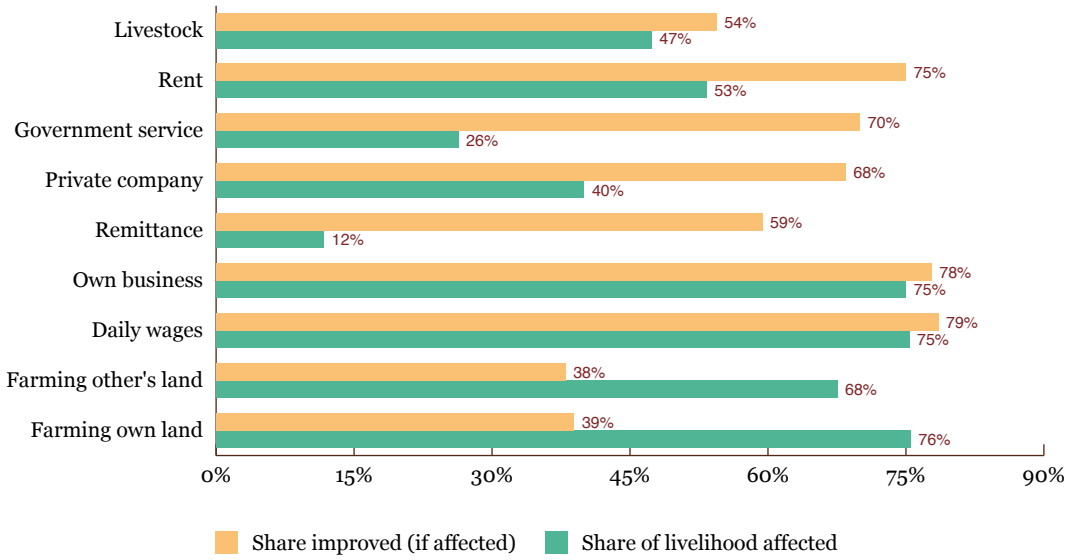
Figure 2.6: Share of people within each income source whose income from that source has improved in the past three months – by source of income, all districts (IRM-2)



Looking only at the districts most affected by the earthquake, it is clear that businesses and daily wage labor are recovering more than farming and livestock rearing, the dominant occupations in these districts (Figure 2.7). In the severely hit districts, 75% of people working in business, and the same figure for daily wage laborers, saw negative impacts on their livelihood. However, more than three-quarters of each group has seen improvements in the past three months. In contrast, similar proportions of farmers were negatively affected. But only 39% of those who farm their own land, and 38% of those who farm others, have seen improvements in the last three months. Of 47% who rear livestock in these districts, just over half report improvements.

[14] Time period: first quarter of 2016.

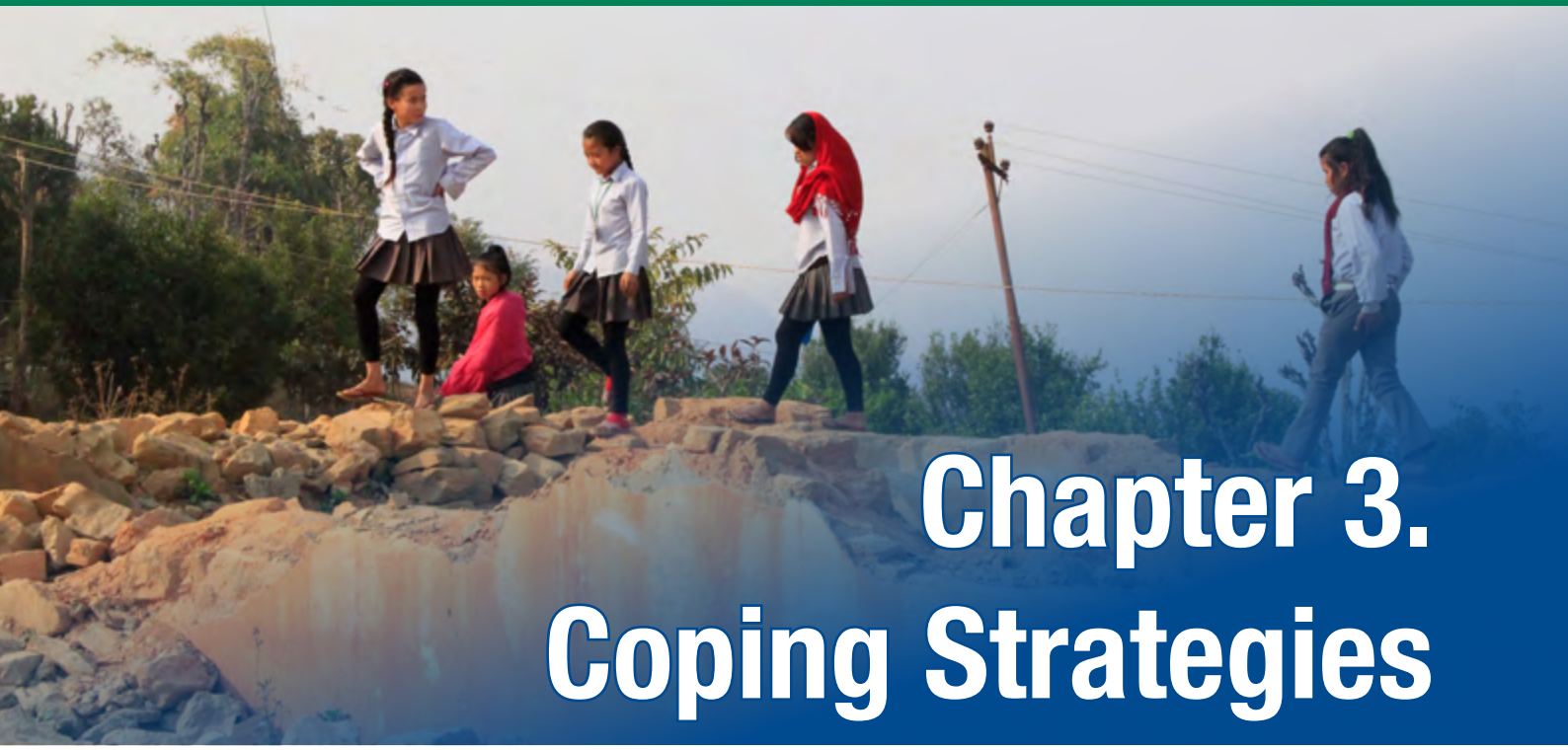
Figure 2.7: Share of people within each income source whose income from that source has improved in the past three months – by occupation, severely hit districts (IRM-2)



Remittance income, which is reported as a main income source by only a very small share in the severely hit districts (1.3%), has improved to a greater extent (58%) than in other districts. Overall, the hit with heavy losses districts are showing the most widespread recovery across most livelihoods.

Table 2.6: Share of people within each income source whose income from that source has improved in the past three months – district impact and district (IRM-2)

	Farming own land	Farming other's land	Daily wages	Own business	Remittance	Private company	Government service	Rent	Livestock
Severely hit	**39%**	**61%**	**77%**	**81%**	**58%**	**74%**	**66%**	**67%**	**62%**
Dhading	34%	100%	75%	75%	86%	60%	70%	0%	50%
Gorkha	43%	39%	84%	86%	43%	50%	86%	100%	89%
Nuwakot	58%	100%	70%	89%	75%	100%	50%	.	69%
Ramechhap	36%	34%	74%	96%	60%	88%	67%	100%	48%
Sindhupalchowk	23%	33%	80%	59%	25%	70%	60%	67%	54%
Crisis hit	**64%**	**52%**	**57%**	**71%**	**39%**	**75%**	**67%**	**64%**	**88%**
Bhaktapur	78%	57%	88%	74%	67%	90%	100%	94%	93%
Kathmandu	75%	100%	46%	61%	50%	35%	20%	33%	.
Okhaldhunga	39%	0%	38%	78%	0%	100%	80%	.	83%
Hit with heavy losses	**82%**	**50%**	**88%**	**79%**	**33%**	**100%**	**78%**	**100%**	**83%**
Lamjung	76%	50%	75%	89%	0%	.	67%	.	67%
Solukhumbu	87%	.	100%	69%	67%	100%	89%	100%	100%
Hit	**46%**	**.**	**60%**	**100%**	**38%**	**.**	**0%**	**.**	**0%**
Syangja	46%	.	60%	100%	38%	.	0%	.	0%
All districts	***48%***	***41%***	***74%***	***70%***	***53%***	***65%***	***77%***	***65%***	***57%***



Chapter 3. Coping Strategies

Photo: Amanda Gurung

This chapter examines the various coping strategies—such as borrowing, inward remittances, and migration—being used in earthquake-affected areas. It examines the strategies different population groups (particularly those that are likely to be more vulnerable) use to recover from the earthquake.

Key findings:

Borrowing

- Borrowing has massively increased since IRM-1. More than twice as many people have borrowed and average loan sizes have increased 240%. Increases in the number of people borrowing, and in loan sizes, are greatest in the severely hit districts. People are predominantly borrowing for livelihoods, food, and shelter.
- Borrowing appears to be used as a coping strategy by a greater share of people in poorer districts. However, there is evidence of clear credit constraints in these places with lower loan amounts and higher loan refusals.
- There are major credit constraints for some groups. Loans for men are twice the size of those for women; high caste people's loans are four times the size of others'. The poorest are least likely to take loans and the size of loans for the richest is seven times those of the poorest. Loans to the disabled are half the size of those to the non-disabled.
- Formal loan sources are becoming more important. But the largest loans are still from moneylenders who charge the highest interest rates. Moneylenders are particularly active in poorer districts. Banks and cooperatives lend mainly in urban areas and higher income districts.

Remittances

- Remittances have become more common as a key source of income but absolute levels of remittances do not appear to have increased since the earthquake.

Migration

- Migration levels have been low (6%) and most of those who migrated returned home.

Asset sales

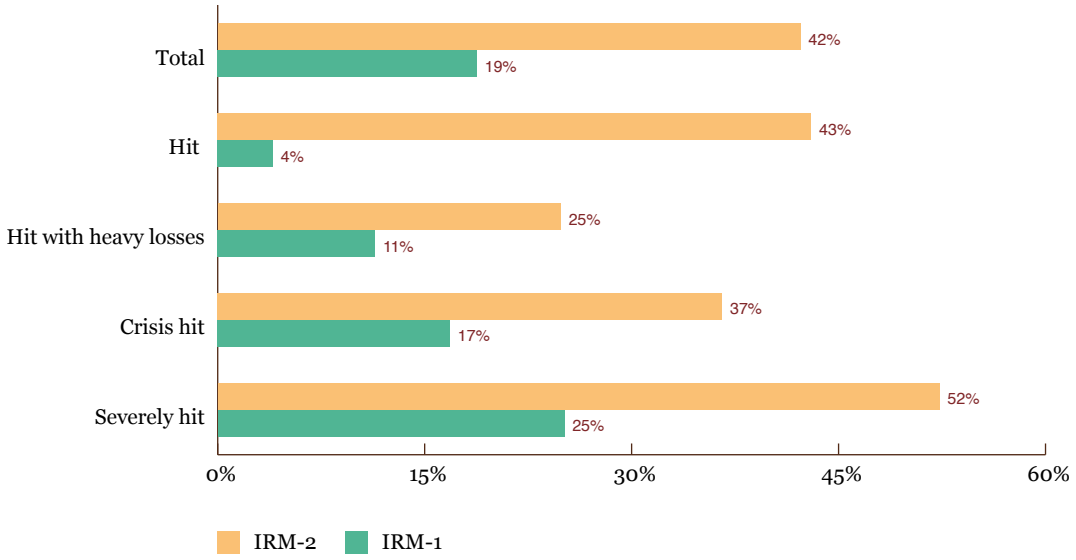
- Six percent of people have sold assets with most of these being livestock. One-third of livestock farmers have sold livestock.

3.1 Borrowing

How has borrowing changed?

Borrowing has more than doubled since the immediate post-earthquake period (Figure 3.1). Whereas in June 2015, 19% had borrowed since the earthquake, 42% report taking loans since the beginning of the 2015 monsoon (June 2015). In severely hit districts, more than half have borrowed money since the beginning of the 2015 monsoon compared to one-quarter in the first few months after the disaster. Borrowing has also more than doubled in the crisis hit and hit with heavy impact districts. In the hit district of Syangja (the least affected of the sampled districts), borrowing has risen ten-fold: from 4% to 43%.

Figure 3.1: Share of people who have borrowed since June 2015 – by district impact (IRM-1/IRM-2 comparison)



What are people borrowing for?

Borrowing is most common for livelihoods, food, and shelter. The share of the population who have borrowed in IRM-2 is 42%. Of this group, the largest share (60%) borrowed to support their livelihoods, which typically refers to the repair and replacement of damaged assets (Figure 3.2). This is true for all four categories of district impact (Table 3.1). Seventeen percent borrowed for farming or business inputs, investments also related to livelihoods. Borrowing to purchase food is the second most common reason (35% of borrowers took loans for food), across all levels of impact, including in the least affected district of Syangja. The fact that borrowing for food is so high in Syangja is surprising given that only 10% in that district report that sources of income have been affected, with the share being slightly less (9%) for agriculture on own farms, the occupation of over 90% in the district. One-quarter of people who borrowed did so to rebuild their home (24% in severely hit districts) and 20% to finance temporary shelter (31% in severely hit districts).

The highest share of borrowing among borrowers for livelihoods is in Gorkha, Lamjung, Sindhupalchowk, and Okhaldhunga; for food it is in Okhaldhunga, Ramechhap, and Dhading; for temporary shelters it is in Ramechhap, Sindhupalchowk, Nuwakot, and Dhading; and for rebuilding homes it is in Gorkha, Kathmandu, Dhading, and Solukhumbu (Table 3.1).

Figure 3.2: Reasons for borrowing, share of those borrowing – by district impact (IRM-2)

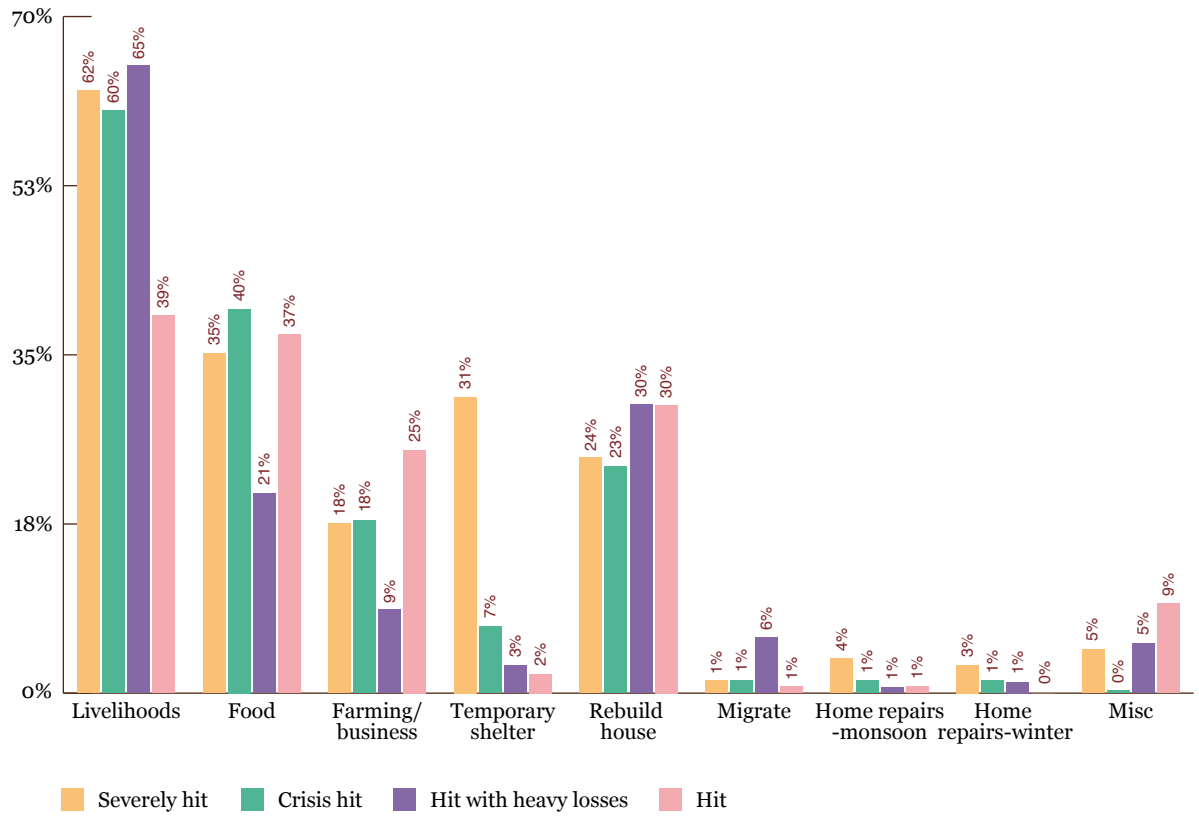


Table 3.1: Reasons for borrowing, share of those borrowing – by district impact and district (IRM-2)

	Livelihoods	Food	Farming / business	Temporary shelter	Rebuild house	Migrate	Home repairs - monsoon	Home repairs - winter	Miscellaneous
Severely hit	**62%**	**35%**	**18%**	**31%**	**24%**	**1%**	**4%**	**3%**	**5%**
Dhading	48%	44%	20%	27%	38%	2%	0%	1%	6%
Gorkha	73%	18%	13%	16%	43%	1%	2%	9%	1%
Nuwakot	53%	33%	15%	34%	27%	1%	11%	1%	9%
Ramechhap	67%	49%	19%	39%	7%	2%	2%	4%	3%
Sindhupalchowk	69%	26%	19%	34%	15%	0%	4%	1%	4%
Crisis hit	**60%**	**40%**	**18%**	**7%**	**23%**	**1%**	**1%**	**1%**	**0%**
Bhaktapur	47%	18%	24%	6%	33%	4%	1%	1%	1%
Kathmandu	49%	15%	26%	9%	42%	3%	2%	0%	0%
Okhaldhunga	68%	54%	13%	6%	15%	0%	1%	2%	0%
Hit with heavy losses	**65%**	**21%**	**9%**	**3%**	**30%**	**6%**	**1%**	**1%**	**5%**
Lamjung	73%	27%	16%	3%	26%	0%	0%	3%	12%
Solukhumbu	59%	16%	3%	3%	33%	10%	1%	0%	0%
Hit	**39%**	**37%**	**25%**	**2%**	**30%**	**1%**	**1%**	**0%**	**9%**
Syangja	39%	37%	25%	2%	30%	1%	1%	0%	9%
All districts	***60%***	***35%***	***17%***	***20%***	***25%***	***2%***	***2%***	***2%***	***4%***

How much are people borrowing?

Borrowing volumes have grown substantially since the immediate aftermath of the earthquake. Average sums borrowed have increased from NPR 61,440 per person who borrowed in IRM-1 to NPR 208,749 in IRM-2, a jump of 240% (Table 3.2).

As with shares of borrowing, loan amounts appear to be related to the level of earthquake impact. Borrowing is higher in severely and crisis hit districts (NPR 225,827 and NPR 200,229 on average for each person who borrowed) relative to the lower impact categories (NPR 172,592 and NPR 167,070, respectively). Volumes have increased the most in the severely hit districts (402%), suggesting that credit is being sought in increasing amounts to cope with the impacts of the earthquake.

Table 3.2: Average amount borrowed (NPR) per borrower – by district impact (IRM-1/IRM-2 comparison)

Impact	IRM-1 (NPR)	IRM-2 (NPR)	% Increase
Severely hit	44,941	225,827	402%
Crisis hit	87,545	200,229	129%
Hit with heavy losses	110,959	172,592	56%
Hit	34,375	167,070	386%
All districts	***61,440***	***208,749***	***240%***

There is, however, large variation in the amounts borrowed between districts within each category of impact (Table 3.3). Amongst severely hit districts, for example, borrowers in Dhading have taken loans as high as NPR 645,171 on average, the largest amount of any district. In contrast, borrowers in Ramechhap, also in the severely hit category, have borrowed only NPR 90,809 on average, the lowest across all districts. Kathmandu follows Dhading as the district with the largest average loan size among borrowers (NPR 528,477), while the other two crisis hit districts have far lower average borrowing amounts. Lamjung in the third category ranks third in terms of average loan size among borrowers.

Table 3.3: Average amount borrowed (NPR) per borrower – by district impact and district (IRM-2)

	Proportion borrowing	Average borrowing among borrowers (NPR)
Severely hit	**52%**	**225,827**
Dhading	52%	645,171
Gorkha	47%	159,561
Nuwakot	43%	153,287
Ramechhap	68%	90,809
Sindhupalchowk	51%	111,522
Crisis hit	**37%**	**200,229**
Bhaktapur	22%	213,808
Kathmandu	19%	528,477
Okhaldhunga	70%	103,698
Hit with heavy losses	**25%**	**172,592**
Lamjung	21%	228,662
Solukhumbu	29%	131,100
Hit	**43%**	167,070
Syangja	43%	167,070
All districts	***42%***	***208,749***

Ramechhap (a severely hit district) and Okhaldhunga (a crisis hit district), which have the highest shares of borrowing, have among the lowest average borrowing amounts. This suggests lower income levels and coping capacity among households in these districts with many borrowing but only eligible for smaller loan

amounts. Table 3.4 confirms that these two districts have among the largest share of poor households: the share of the population in the lowest two income brackets is 53% for Okhaldhunga and 51% for Ramechhap.

Table 3.4: Income distribution – by district impact and district (IRM-2)

	<NPR 2,500	NPR 2,501 - 9,999	NPR 10,000 - 19,999	NPR 20,000 - 39,999	> NPR 40,000	Refused	Don't know
Severely hit	4%	41%	45%	9%	1%	0%	0%
Dhading	4%	48%	41%	7%	0%	0%	1%
Gorkha	1%	28%	61%	9%	1%	0%	0%
Okhaldhunga	4%	49%	39%	7%	0%	0%	1%
Ramechhap	8%	43%	40%	8%	1%	0%	0%
Sindhupalchowk	2%	40%	45%	13%	1%	0%	0%
Crisis hit	6%	27%	38%	18%	5%	0%	4%
Bhaktapur	1%	29%	45%	15%	2%	0%	7%
Kathmandu	12%	5%	35%	30%	14%	1%	4%
Nuwakot	6%	48%	36%	10%	0%	0%	1%
Hit with heavy losses	1%	39%	44%	14%	2%	0%	0%
Lamjung	1%	18%	54%	24%	3%	0%	0%
Solukhumbu	0%	61%	35%	4%	1%	0%	0%
Hit	1%	40%	44%	14%	1%	0%	0%
Syangja	1%	40%	44%	14%	1%	0%	0%
All districts	***4%***	***37%***	***43%***	***13%***	***2%***	***0%***	***1%***

Ramechhap and Okhaldhunga also have among the highest reported rates of loan refusals, providing further evidence of lower coping capacity (Figure 3.4 below). This suggests that the low amounts borrowed per person is not on account of a lack of need for more credit but due to credit constraints faced by households. Table 3.8 below also shows that Ramechhap (79%) and Okhaldhunga (54%) are among the districts reporting the greatest share of people who intend to borrow in the next three months, once again pointing to the need for credit in these districts. Credit constraints in these two districts are of particular concern since current borrowing is the highest for food and, in the case of Ramechhap, for temporary shelters, and among the highest for livelihoods. The inability to access credit might be preventing access to basic needs and the restoration of livelihoods.

Borrowing appears to be used as a coping strategy by more people in districts where there are greater shares of poor households; but the large proportion of poor people leads to lower loan amounts.[15]

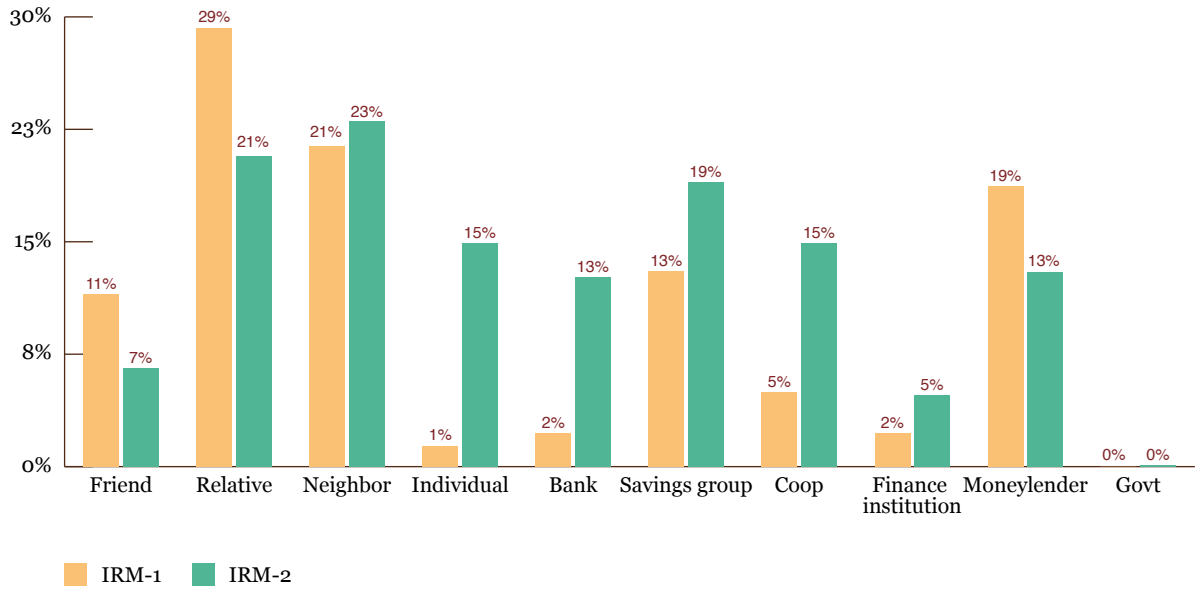
A notable exception is Solukhumbu. The district has the largest proportion of poor households (61%) but a low borrowing share (29%). The district also reports a low share who intend to borrow over the next three months (21%) (Table 3.8 below). This is despite fairly high damage to homes (52%) and livelihoods (59%) (see Table 2.5 in the last chapter). One possible explanation is that the district is being well served across aid items relative to other districts in the lower impact categories and has the lowest share among these districts reporting "no aid received" (5%) – see Chapter 4. Solukhumbu also received the largest volume of non-government cash aid per household (NPR 22,125 per person compared to the sample average of NPR 12,172, although with a very low reported reach (1%) – Table 4.8 below. This suggests that the domestic and international NGO sector (including the Red Cross)—the sources of non-government aid cited by households in this district—have been responsive to the vulnerability that exists in this district because of the large share of poor households.

[15] At the district level, the share of the population who have low incomes (with pre-earthquake monthly incomes below NPR 10,000) has a fairly large, positive correlation with the share that borrows (61%). There is also a smaller, negative correlation between the share of the population who have a low income and average loan size (-28%).

Who do people borrow from?

Sources of borrowing have changed since IRM-1 with a larger share of people turning to formal and semi-formal sources of credit and a lower share using informal sources (Figure 3.3).[16] Relatives and neighbors continue to account for a large share of lenders. But there have been notable drops in the proportion of borrowers who take loans from moneylenders. There has also been a rise in the relative prominence of banks, savings groups, and other financial institutions as lenders. This is a positive development given the higher rates of interest charged by informal sources (Figure 3.5 below). However, it should be noted that because more people are borrowing than in the IRM-1 period, the actual number of people taking loans from moneylenders has increased: from 3.6% of people in IRM-1; to 5.5% in IRM-2.

Figure 3.3: Sources of borrowing among those who borrowed (IRM-1/IRM-2 comparison)



This pattern of increased use of formal sources can be seen across levels of impact with the exception of the crisis hit districts, where borrowing from neighbors has risen, and the hit with heavy losses districts, where borrowing from neighbors and relatives has risen. Syangja (the least affected district) is the only place where the proportion of borrowers who take loans from moneylenders has risen (Table 3.5).

In several districts with higher shares of the poor, moneylenders appear to be more important as a borrowing source. Dhading, Solukhumbu, and Ramechhap have the highest relative shares who borrow from moneylenders (Table 3.6). These districts also have the highest shares of population in the lowest two income brackets (approximately 50% in each case and 60% for Solukhumbu). Nuwakot and Okhaldhunga (also districts with high shares of poor populations – over 50%) are exceptions, with the relative share using moneylenders very low (3%). In both these districts, other informal lending sources (friends, relatives, and neighbors) and savings groups are used to a greater extent vis-à-vis other sources. These informal lending sources and savings groups tend to have higher relative use within districts with larger numbers of poor people.

Cooperatives and banks, part of the formal lending sector, appear to be more important as borrowing sources in districts with lower shares of poor populations. Gorkha, Kathmandu, and Lamjung have the highest relative shares that borrow from cooperatives and banks. These districts correspond to those with the lowest shares in the bottom two income brackets (29%,

[16] Formal financial institutions include banks, development banks, micro-credit development banks, finance companies, microfinance NGOs and cooperatives that are licensed and supervised by the Nepal Rastra Bank, the central bank. Semi-formal institutions refer to microfinance NGOs and cooperatives that are registered under various non-financial legislation and not supervised by the Nepal Rastra Bank. Informal sources refer to moneylenders, relatives and friends. From ADB report: http://www.adb.org/sites/default/files/linked-documents/36169-02-nep-oth03.pdf

17%, and 19%). An exception is Bhaktapur, where, despite a fairly low share of poor people compared to other districts (31%), moneylenders are an important borrowing source. Similarly, the relative share of bank borrowing is the highest in Syangja, despite a higher share of lower income populations (41%) compared to other districts.

Table 3.5: Sources of borrowing among those who borrowed – by district impact (IRM-1/IRM-2 comparison)

		Severely hit	Crisis hit	Hit with heavy losses	Hit	Total
Friend	IRM-1	8%	19%	16%	0%	11%
	IRM-2	7%	7%	4%	4%	7%
Relative	IRM-1	32%	28%	12%	50%	29%
	IRM-2	22%	19%	23%	15%	21%
Neighbor	IRM-1	23%	16%	20%	38%	21%
	IRM-2	19%	23%	28%	38%	23%
Individual	IRM-1	1%	2%	0%	0%	1%
	IRM-2	15%	7%	20%	26%	15%
Bank	IRM-1	2%	1%	4%	13%	2%
	IRM-2	12%	7%	19%	26%	13%
Savings group	IRM-1	12%	16%	10%	13%	13%
	IRM-2	19%	24%	10%	15%	19%
Cooperative	IRM-1	4%	5%	10%	13%	5%
	IRM-2	14%	16%	22%	7%	15%
Finance institution	IRM-1	3%	0%	0%	0%	2%
	IRM-2	6%	4%	2%	2%	5%
Moneylender	IRM-1	17%	18%	31%	0%	19%
	IRM-2	12%	17%	14%	7%	13%

Note 1: data on borrowing from government not available for IRM-1

Note 2: red = smaller proportion of borrowers borrowed from this source in IRM-2 compared to IRM-1
green = increased proportion of borrowers borrowed from this source in IRM-2 compared to IRM-1

Table 3.6: Source of borrowing among those who borrowed – by district impact and district (IRM-2)

Districts	Friend	Relative	Neighbor	Individual	Bank	Savings group	Coopera-tive	Finance institution	Money lender
Severely hit	**7%**	**22%**	**19%**	**15%**	**12%**	**19%**	**14%**	**6%**	**12%**
Dhading	11%	20%	5%	23%	18%	18%	13%	3%	23%
Gorkha	1%	15%	29%	21%	20%	16%	20%	6%	5%
Nuwakot	10%	31%	24%	11%	11%	20%	5%	6%	3%
Ramechhap	9%	19%	21%	13%	4%	17%	13%	7%	19%
Sindhupalchowk	5%	26%	20%	10%	9%	26%	19%	7%	8%
Crisis hit	**7%**	**19%**	**23%**	**7%**	**7%**	**24%**	**16%**	**4%**	**1%**
Bhaktapur	11%	20%	5%	23%	18%	18%	13%	3%	23%
Kathmandu	1%	15%	29%	21%	20%	16%	20%	6%	5%
Okhaldhunga	10%	31%	24%	11%	11%	20%	5%	6%	3%
Hit with heavy losses	**4%**	**23%**	**28%**	**20%**	**19%**	**10%**	**22%**	**2%**	**0%**
Lamjung	3%	12%	11%	26%	26%	19%	41%	3%	7%
Solukhumbu	5%	31%	41%	15%	14%	3%	9%	1%	19%
Hit	**4%**	**15%**	**38%**	**26%**	**26%**	**15%**	**7%**	**2%**	**0%**
Syangja	4%	15%	38%	26%	26%	15%	7%	2%	7%
All districts	***7%***	***21%***	***23%***	***15%***	***13%***	***19%***	***15%***	***5%***	***13%***

How much do different sources lend?

While moneylenders are becoming less prominent in severely hit districts, they continue to lend the largest amounts per borrower (Table 3.7). In severely hit districts, they lend on average NPR 109,326 to each borrower. This is almost three times the amount that banks lend. They are followed by banks, neighbors, relatives, cooperatives, and savings groups. This ordering is also true overall across the whole sample.

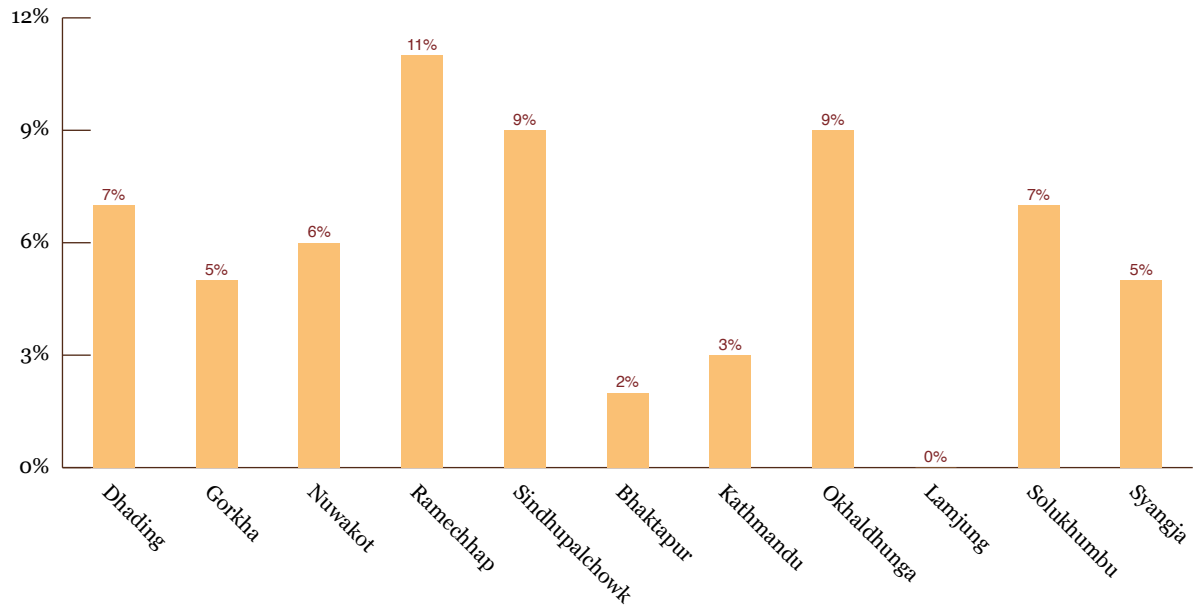
Table 3.7: Average loan amounts by source (NPR) – by district impact (IRM-2)

Impact	Friend	Relative	Neighbor	Individual	Bank	Savings group	Cooperative	Finance institution	Moneylender	Government
Severely hit	4,924	23,461	21,351	3,788	35,529	11,763	11,771	3,915	109,326	-
Crisis hit	6,448	17,043	16,045	-	78,493	22,138	28,413	5,867	25,696	85
Hit with heavy losses	2.672	17,833	17,626	402	90,046	16,092	14,000	632	13,287	-
Hit	2,616	28,109	44,705	-	55,570	12,844	13,742	5,676	3,808	-
All districts	***4,820***	***21,808***	***21,898***	***2,198***	***53,155***	***14,723***	***16,036***	***4,177***	***69,914***	***20***

Unsuccessful borrowing

Prior loan refusals are low (6% of people who tried to borrow said they were unsuccesful). However, with the exception of Syangja, a less affected district, loan refusals appear to be higher in more affected districts (Figure 3.4). Severely hit districts on average have greater shares of people who tried to borrow but were unsuccessful (7%), suggesting greater credit constraints. The greater economic losses suffered by households in these regions may make them less credit worthy to lenders. Loan refusals are most frequently reported from informal lending sources: neighbors (28%), moneylenders (26%), relatives (13%), and friends (9%). But there are also high levels of refusals from formal and semi-formal lending sources: banks (17%) and savings groups (8%).

Figure 3.4: Unsuccessful borrowing attempts – by district (IRM-2)



The largest shares of unsuccessful borrowing attempts are in Ramechhap and Okhaldhunga, as previously noted, and also in Sindhupalchowk. The high rate of refusals in Sindhupalchowk is of concern given that the district suffered the greatest damage to both housing and livelihoods from the earthquake (Table 2.5 above). Although not among the top five districts in terms of the proportion of people who are poor (41%), credit constraints would be expected to hamper the pace of recovery given the levels of damage. Fifty-eight percent of people in Sindhupalchowk intend to borrow in the next three months. This is despite the fact that the district has been relatively well served in terms of aid in IRM-2, with high shares for nearly every relief item (Chapter 4).

Intention to borrow

Overall, larger shares of the population in higher impact districts intend to borrow in the next three months (Table 3.8). This points again to the continued need for credit in these areas. The share is 57% in severely hit districts, 31% in crisis hit districts, and 21% in the third and fourth categories. Districts with the highest proportion of people intending to borrow in the next three months are the same as those with the greatest share of past loan refusals (i.e. those with the greatest credit constraints): Ramechhap (79%), Sindhupalchowk (58%), and Okhaldhunga (54%).[17] As previously noted, these districts have larger shares of poor populations, with greater numbers of people borrowing smaller amounts, particularly for basic needs, such as food, temporary shelter, and livelihoods assistance.

Table 3.8: Intention to borrow in the next three months – by district impact and district (IRM-2)

District	Current borrowing	Borrow in next three months
Severely hit	**52%**	**57%**
Dhading	52%	50%
Gorkha	47%	50%
Nuwakot	43%	49%
Ramechhap	68%	79%
Sindhupalchowk	51%	58%
Crisis hit	**37%**	**31%**
Bhaktapur	22%	29%
Kathmandu	19%	10%
Okhaldhunga	70%	54%
Hit with heavy losses	**25%**	**21%**
Lamjung	21%	20%
Solukhumbu	29%	21%
Hit	**43%**	**21%**
Syangja	43%	21%
All districts	***42%***	***40%***

What interest rates are lenders charging?

Interest rates charged on loans have risen slightly for most lenders since IRM-1. The highest rates are charged by individuals (on average, 2.51% per month), followed by moneylenders (2.44%) and neighbors (2.17%) – Figure 3.5.

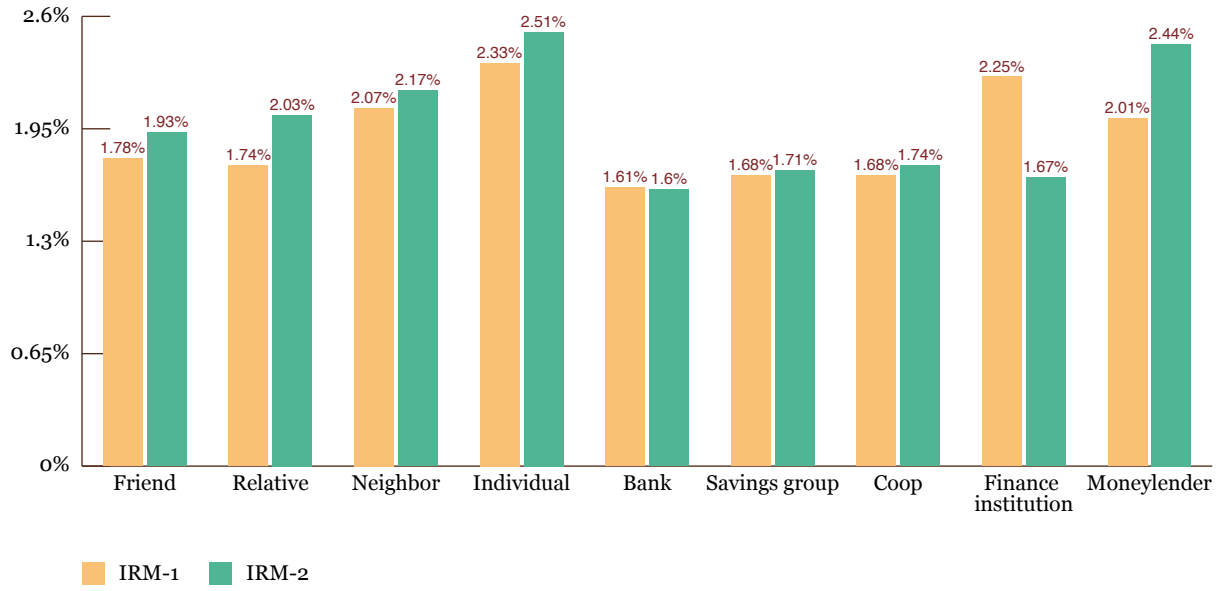
Interest charged by formal lenders—such as banks, cooperatives, and other financial institutions—are still high relative to what might be expected from commercial banks.[18] Reported bank lending rates have remained consistent since the period immediately

[17] At the district level, we find that current borrowing is also highly and positively correlated with future intention to borrow (87%).

[18] The reported rates charged by banks are surprisingly high. Banks referred to here are likely to be cooperative banks, which are more common in rural areas and tend to have annual interest rates of 14-16% for certain types of loans (as per published sources in 2016). "Cooperatives", a separate survey option, can refer to formal cooperative banks and informal savings groups. The informal kind

following the earthquake, with cooperative interest rates rising by 0.1%. Interest rates charged by informal lending sources in IRM-2 are: friends (1.93%), relatives (2.03%), neighbors (2.17%), individuals (2.51%) and moneylenders (2.44%). These have also risen only slightly since IRM-1 (in the range of 0.1-0.29%).

Figure 3.5: Monthly interest rates for different sources (IRM-1/IRM-2 comparison)



All informal lending sources—moneylenders, friends, neighbors, relatives, and individuals—are associated with higher interest rates in the severely hit districts (Table 3.9). In contrast, formal lending sources—banks, cooperatives, and financial institutions—charge, on average, lower interest rates in the severely hit districts. Savings groups are charging lower interest in the two categories of greatest impact, although the rate in the severely hit districts is slightly higher (1.7%) compared to the crisis hit category (1.59%).

Table 3.9: Monthly interest rates for different sources – by district impact and district (IRM-2)

Districts	Friend	Relative	Neighbor	Individual	Bank	Savings group	Coop	Finance institution	Moneylender
Severely hit	**2.07%**	**2.23%**	**2.26%**	**2.53%**	**1.46%**	**1.70%**	**1.64%**	**1.62%**	**2.47%**
Dhading	1.60%	1.81%	2.00%	1.80%	1.54%	1.74%	1.62%	1.78%	1.93%
Gorkha	2.50%	2.38%	2.42%	2.00%	1.41%	1.74%	1.49%	2.00%	2.13%
Okhaldhunga	2.37%	2.41%	2.46%	-	1.45%	1.61%	1.34%	1.56%	2.70%
Ramechhap	2.33%	2.37%	2.21%	2.95%	1.36%	1.70%	1.84%	1.59%	2.93%
Sindhupalchowk	1.94%	2.15%	2.01%	2.00%	1.45%	1.69%	1.67%	1.37%	2.63%
Crisis hit	**1.57%**	**1.72%**	**2.14%**	-	**1.30%**	**1.59%**	**1.72%**	**1.78%**	**2.49%**

are characterized by much higher interest rates, particularly for micro-loans (up to 24% per annum as per published sources in 2016). As such, interest rates reported for cooperatives appear to be more in line with the informal types of cooperatives. The figures for informal lending institutions, such as moneylenders, appear to be accurate, gelling with evidence from the qualitative field research.

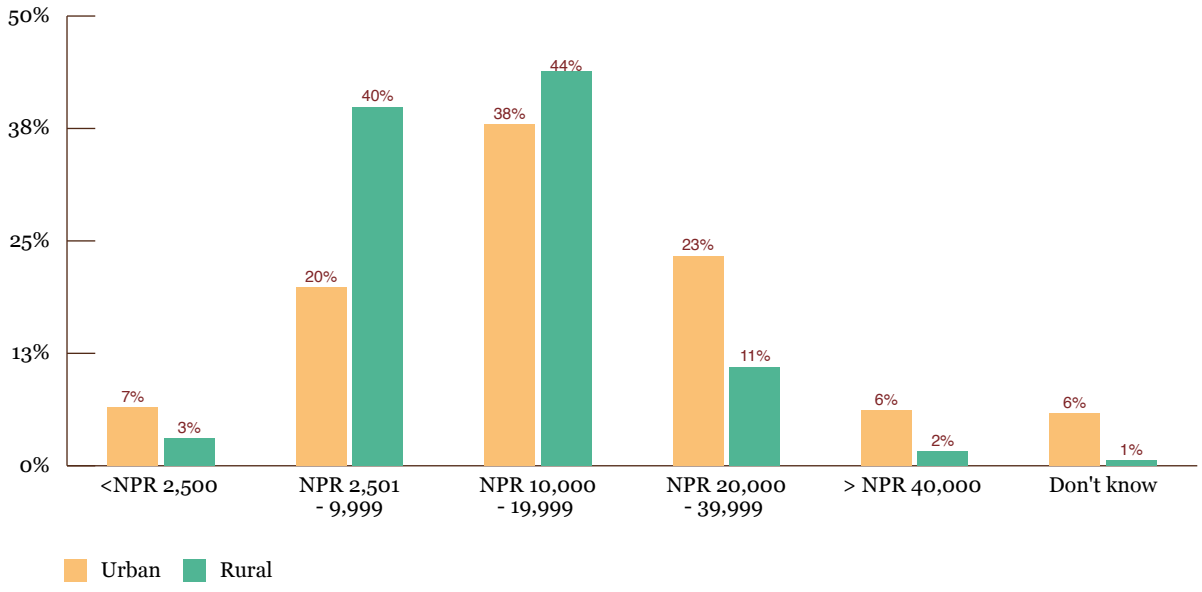
Districts	Friend	Relative	Neighbor	Individual	Bank	Savings group	Coop	Finance institution	Moneylender
Bhaktapur	0.80%	0.42%	1.15%	-	1.03%	1.18%	1.41%	1.00%	1.50%
kathmandu	2.31%	1.31%	0.00%	-	1.09%	2.25%	2.82%	2.67%	1.93%
Nuwakot	1.69%	2.17%	2.21%	-	1.72%	1.59%	1.62%	1.75%	2.53%
Hit with heavy losses	**1.77%**	**1.68%**	**2.12%**	**2.00%**	**1.94%**	**2.03%**	**2.04%**	**1.83%**	**2.33%**
Lamjung	2.50%	2.33%	2.19%	-	2.18%	2.11%	2.14%	2.00%	2.00%
Solukhumbu	1.48%	1.48%	2.11%	2.00%	1.61%	1.67%	1.72%	1.50%	2.42%
Hit	**2.17%**	**1.92%**	**1.96%**	-	**1.90%**	**2.09%**	**1.89%**	**1.83%**	**2.01%**
Syangja	2.17%	1.92%	1.96%	.-	1.90%	2.09%	1.89%	1.83%	2.01%
All districts	***1.93%***	***2.03%***	***2.17%***	***2.51%***	***1.60%***	***1.71%***	***1.74%***	***1.67%***	***2.44%***

Borrowing across rural and urban areas

People in urban areas are less likely to borrow (20% against 46% in rural areas) but urban borrowing amounts, for each person who borrows, are almost twice those in rural areas: NPR 388,779 against NPR 195,796.

People in urban areas are likely able to secure loans of higher volumes due to them having higher incomes and because of the availability of better financial infrastructure. Data on the incomes of those in rural and urban areas provides backing for the former explanation. Figure 3.6 shows that urban areas have a relatively low share of population with incomes below NPR 10,000 (27% compared to 43% in rural areas); the share of the population in the top two income brackets is much higher for urban areas (29% compared to 13% in rural areas).

Figure 3.6: Distribution of income – by urban/rural (IRM-2)



The likelihood of past loan refusals is much higher in rural areas (6%) compared to urban areas (2%), indicating higher credit constraints, consistent with the findings of lower income levels. It is thus unsurprising that 44% in rural areas also intend to borrow in the next three months versus only 20% in urban areas, although people may not always be able to secure loans.

Both urban and rural households report borrowing from a combination of formal and informal lending sources but there are differences (Figure 3.7). Informal lending sources (relatives, neighbors, moneylenders), other than friends, are reported among a larger share of rural borrowers; formal lending sources and savings groups are reported by larger shares in urban areas. Rural shares are the highest for neighbors (24%), relatives (21%), and savings groups (19%), followed by moneylenders (14%), and banks (12%); urban shares are the highest for savings groups (23%), friends and relatives (17% each), and banks, cooperatives, and individuals (16% each), with very few taking loans from moneylenders.

Figure 3.7: Sources of borrowing among those who borrowed – by urban/rural (IRM-2)

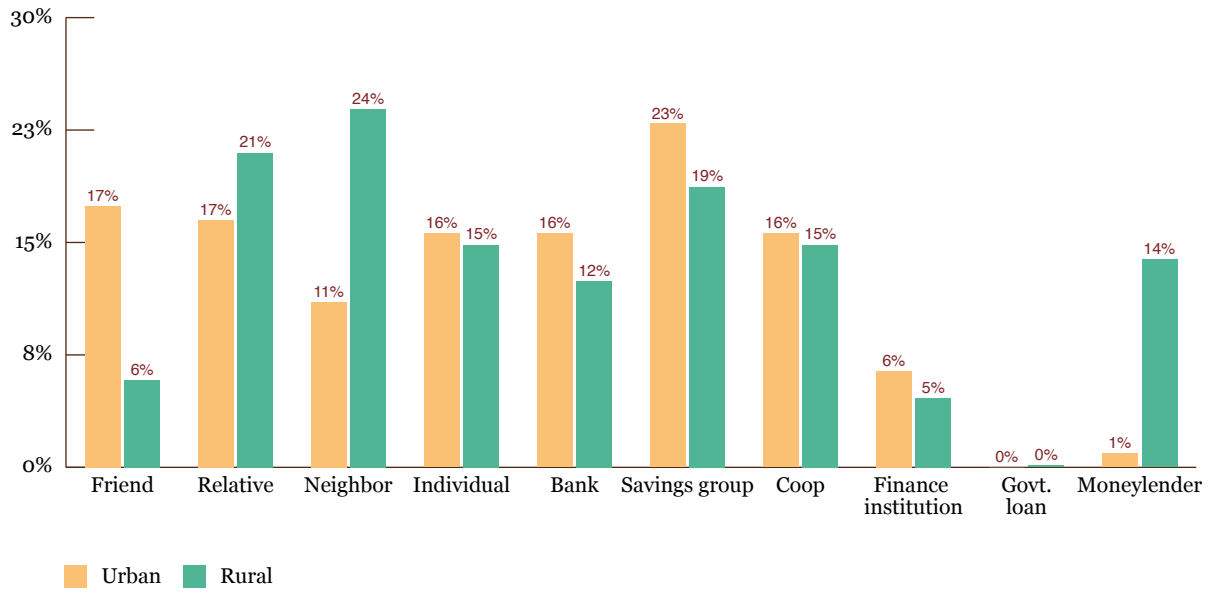
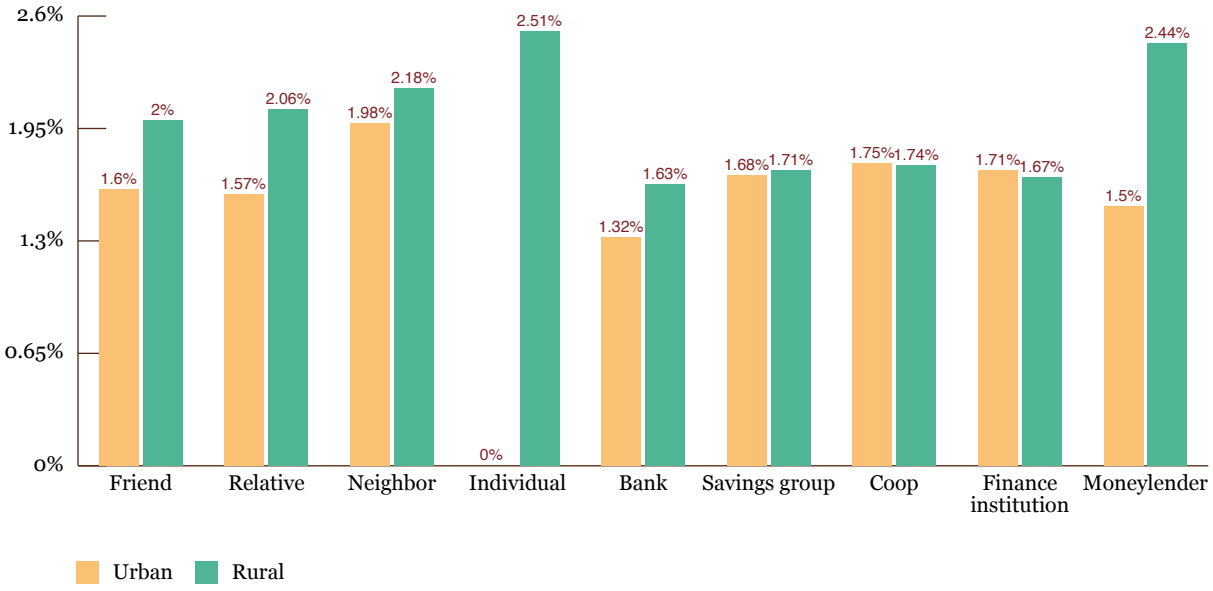


Figure 3.8: Monthly interest rates for different sources – by urban/rural (IRM-2)



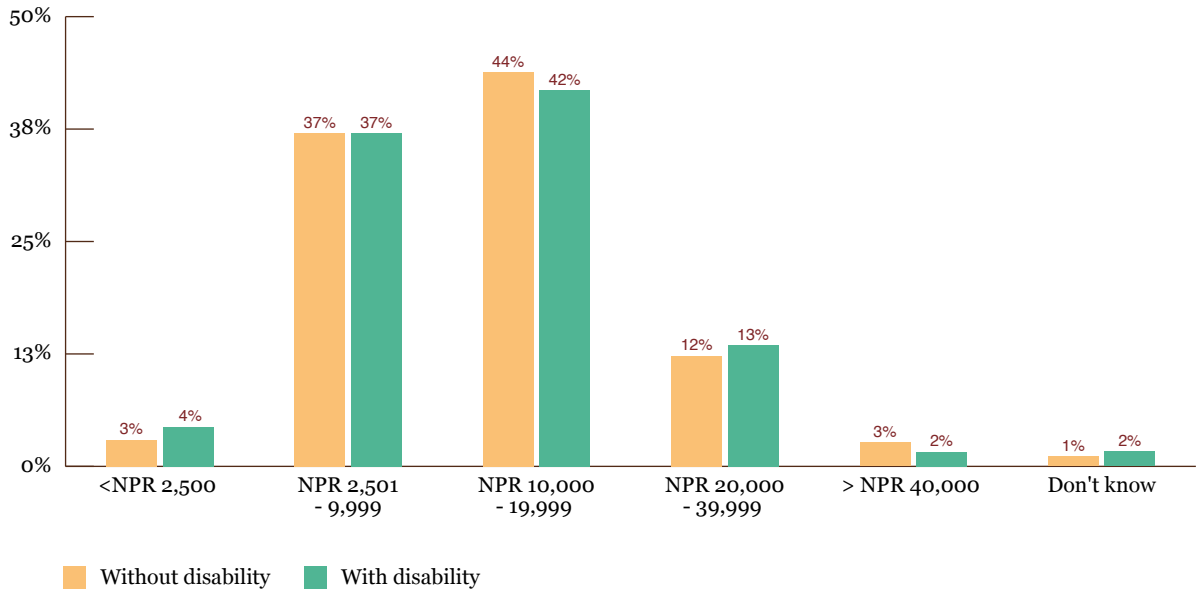
Monthly reported interest rates are higher across nearly every formal and informal lending source in rural areas than in urban areas (Figure 3.8). This is especially concerning since rural areas have higher shares of lower income households and greater credit constraints. Higher demand for credit combined with

a greater perceived risk in lending (due to low incomes and the consequent lack of collateral for loans) are the likely explanations for this. Monthly interest rates in rural and urban areas are the same only for cooperatives (1.7%) and financial institutions (1.7%). There is less variation in monthly interest rates among informal and formal lending sources in urban areas (none are above 2%). The lowest rates are charged by banks (1.32%) and moneylenders (1.5%) and the highest rates by neighbors (1.98%) and cooperatives (1.75%).

Borrowing across population groups

Disability. There are no differences in the likelihood of borrowing between those with and without disabilities (42% of each have borrowed) and for any particular borrowing purpose. However, there is a large difference in borrowing amounts: NPR 250,748 for those without disabilities against NPR 143,506 for those with disabilities of any kind. One possible explanation is that those with disabilities earn less, which would translate into lower eligibility for credit. However, we find no major earning differences between those with and without disabilities (Figure 3.9).

Figure 3.9: Distribution of income – by disabled/non-disabled (IRM-2)

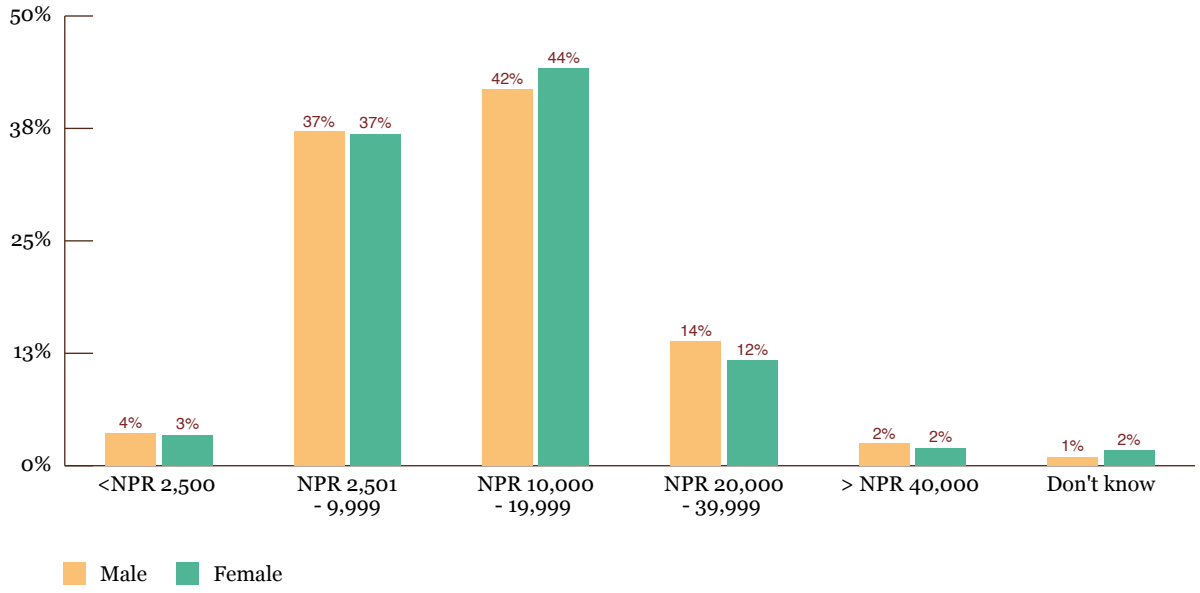


Despite no major differences in income, the incidence of unsuccessful borrowing attempts for those with disabilities is higher (7%) relative to those without (5%), which suggests credit constraints for the disabled, perhaps because of discrimination.[19] Further the share of those intending to borrow in the next three months is much higher for those with disabilities (45% against 37%). This is cause for concern as they may be less likely to receive the loans they want. There are no major observable differences in sources of borrowing reported by those with and without disabilities. There are also no major differences in interest rates charged for those with and without disabilities across borrowing sources. The greatest difference is in the case of moneylenders who charge those with disabilities slightly higher rates (2.53% against 2.38%).

[19] This difference in past loan refusals between the two groups is significant by a t-test at the 1% level.

Gender. There are no notable differences in the proportion of men and of women who borrow (43% of women borrowed against 42% of men). However, of those who do borrow, men borrow on average more than double the amount women borrow: NPR 288,206 versus NPR 131,606. This does not appear to be due to the income distribution for the two groups, as there are no major differences (Figure 3.10).

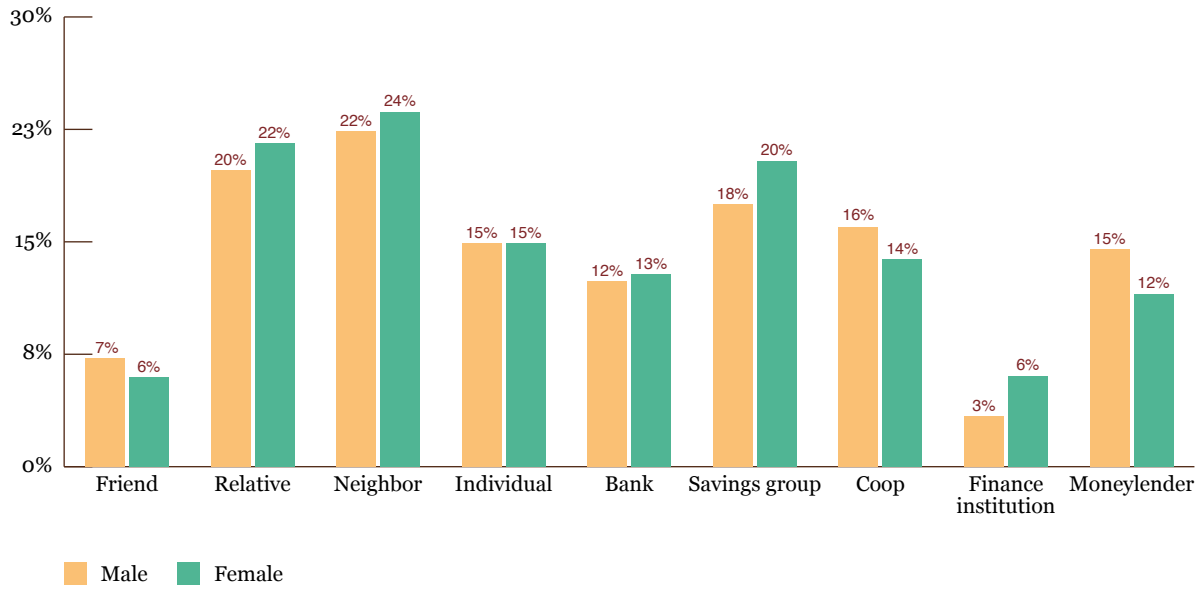
Figure 3.10: Distribution of income – by gender (IRM-2)



The share of women reporting unsuccessful loan attempts in the past is 5%, not very different than the 6% for men, suggesting that they are not more credit constrained than men. Women, however, report a lower intention to borrow over the next three months (38% against 42% for men).

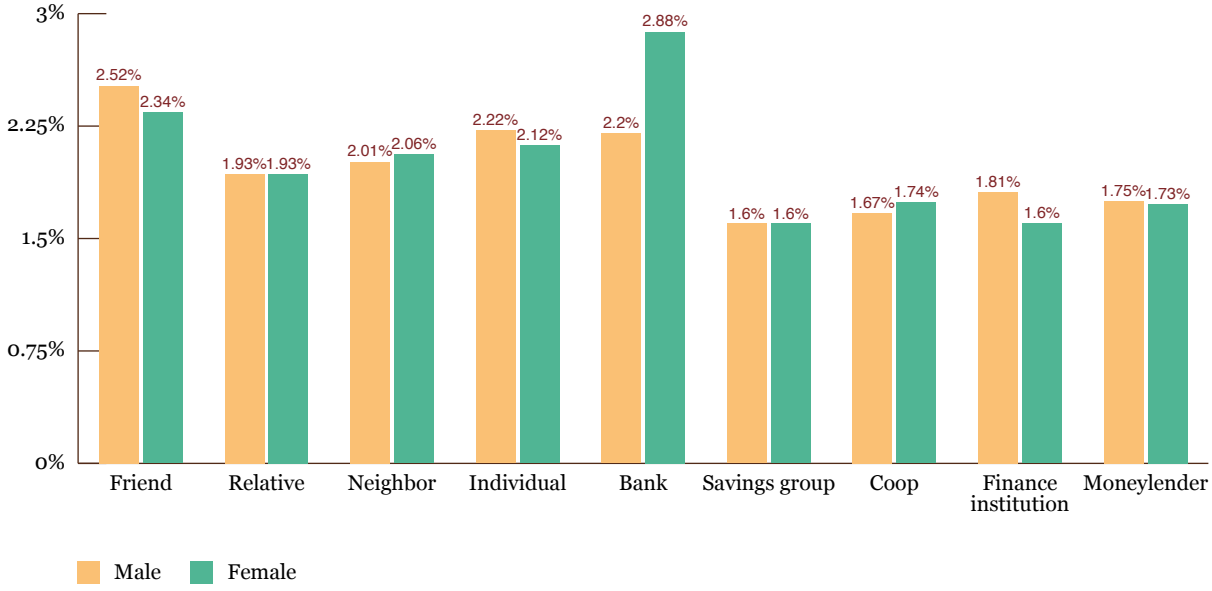
Borrowing by women from informal and semi-formal sources is higher for women: relatives, neighbors, and savings groups (which often are women-specific). Men are more likely to borrow from cooperatives and moneylenders (Figure 3.11).

Figure 3.11: Sources of borrowing among those who borrowed – by gender (IRM-2)



Banks and cooperative—formal lending sources—charge women slightly higher interest rates than they do to men (Figure 3.12). This could be because men are more typically the primary income earners and are therefore associated with stable income sources whereas women might split their time between paid jobs and household responsibilities.[20]

Figure 3.12: Monthly interest rates for different sources – by gender (IRM-2)



Caste groups. Janajatis are less likely to borrow (40%) than low and high caste people (46% and 45%, respectively) – Table 3.10. However, higher caste people on average take the largest loans (NPR 368,249), followed by Janajatis (NPR 117, 534), with lower caste people borrowing much less on average (NPR 86, 849).

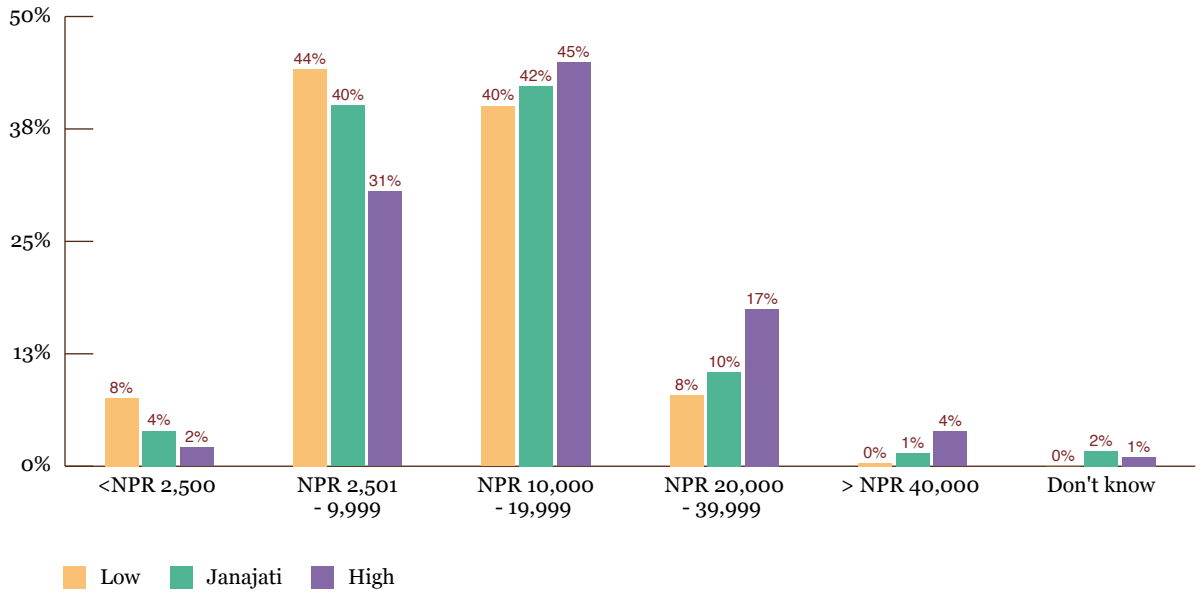
Table 3.10: Proportion borrowing and amount borrowed – by caste (IRM-2)

Caste	Proportion borrowing	Average amount borrowed (NPR)
Low caste	46%	86,849
Janajati	40%	117,534
High caste	45%	368,249

A much larger share of lower caste people can be found in the lowest two income brackets (52%) relative to Janajatis and higher castes (44% and 33%, respectively) – Figure 3.13. This would explain the lower borrowing amounts among lower castes. Lower caste people also report a higher share of past loan refusals (9% compared to 6% for Janajatis and 5% for high caste), indicating credit constraints. However, the lower caste group has a lower share reporting the intention to borrow in the next three months (33% versus 40% and 43%).

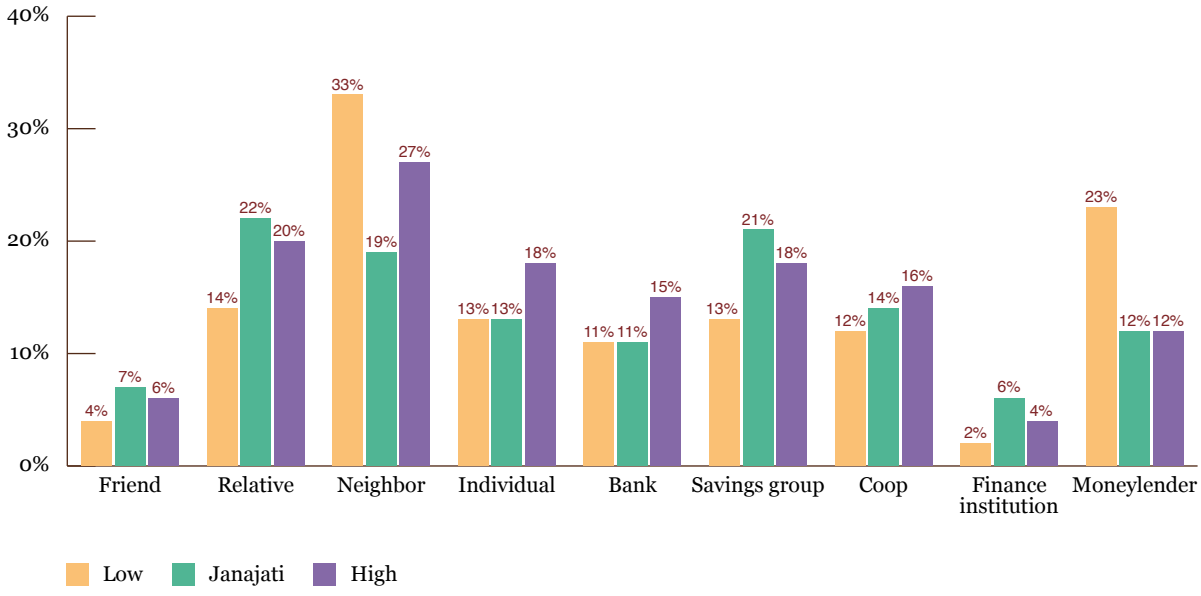
[20] Although this does not explain why some lending sources (friends, individuals, financial institutions, and moneylenders) charge men more.

Figure 3.13: Distribution of income – by caste (IRM-2)



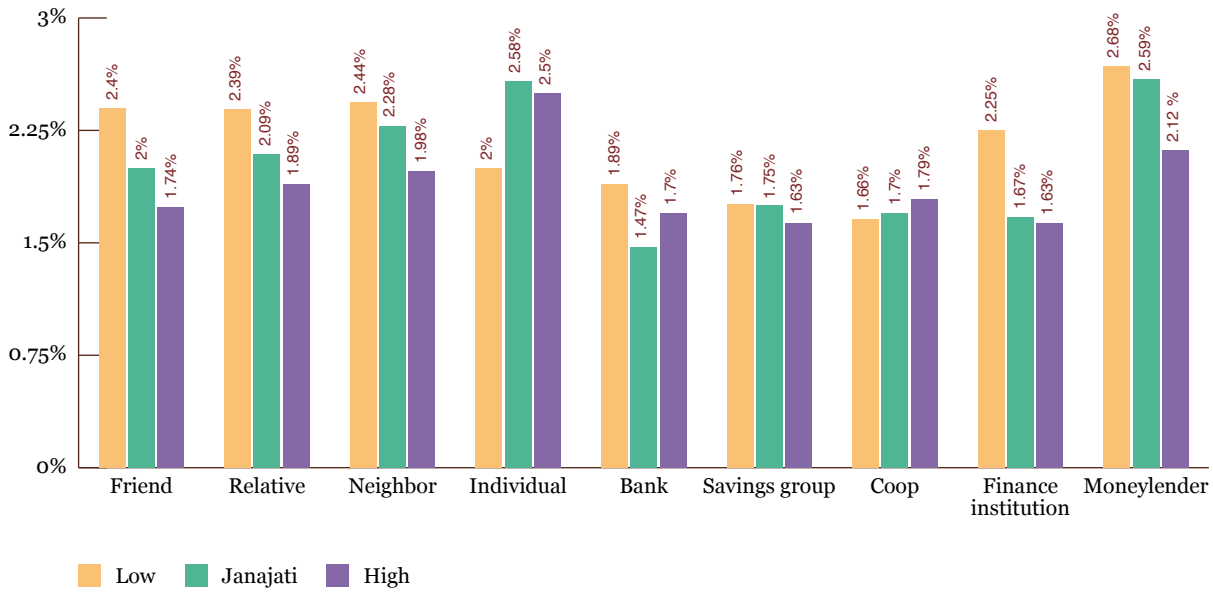
Lower caste people are the most likely to borrow from moneylenders (23%) and neighbors (33%); higher caste groups are the most likely to borrow from individuals (18%), cooperatives (16%), and banks (15%); and Janajatis are the most likely to borrow from relatives (22%), savings groups (21%), and friends (7%) – Figure 3.14.

Figure 3.14: Sources of borrowing among those who borrowed – by caste (IRM-2)



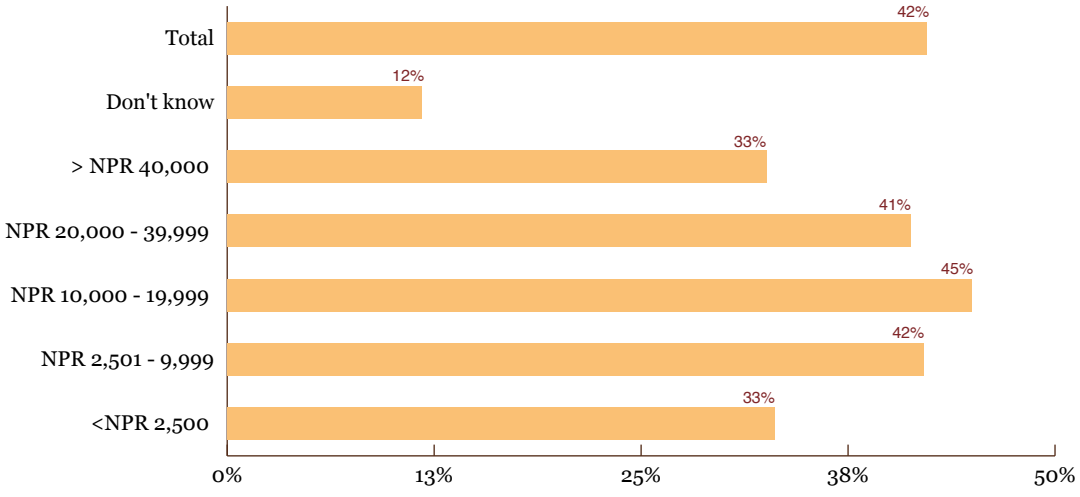
Lower caste people are also charged higher interest rates than Janajatis and higher caste people across every type of lender, other than individuals and cooperatives (Figure 3.15). The interest reported by Janajatis is similarly higher across all lenders relative to higher caste people. This suggests that perceived creditworthiness is linked to the caste hierarchy. However, given average incomes also correlate with caste hierarchy, it is difficult to assess whether caste in itself is considered explicitly or implicitly by lenders in the informal sector when determining interest rates.

Figure 3.15: Monthly interest rates for different sources – by caste (IRM-2)



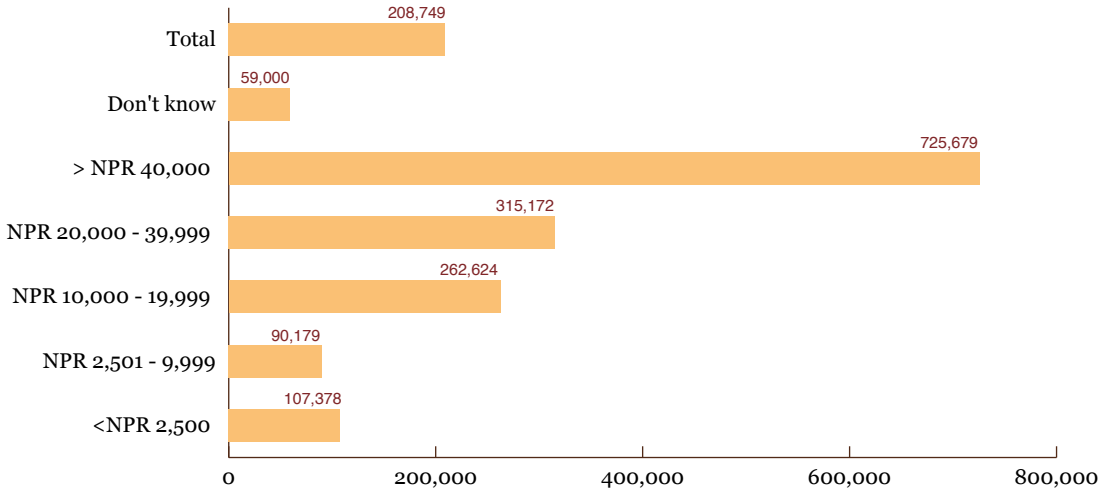
Income. Shares of borrowing are the highest in the middle income groups (between NPR 10,000 and NPR 39,999) and lower in the highest and lowest income groups (> NPR 40,000 and < NPR 2,500) – Figure 3.16.

Figure 3.16: Share of people who have borrowed since June 2015 – by income band (IRM-2)



However, the average loan size is far larger (NPR 725,679) in the top-most income bracket relative to lower income brackets (Figure 3.17). For those who borrow, the richest borrow more than twice as much than the next income bracket down. The lowest income group has loan sizes that are higher than the second lowest income group.

Figure 3.17: Average amount borrowed per borrower (NPR) – by income band (IRM-2)



In terms of sources of borrowing, the lowest income group is the most likely to borrow from moneylenders; and the highest income group is the most likely to borrow from banks (36%), individuals (36%), and savings groups (25%) – Table 3.11.

Table 3.11: Sources of borrowing among those who borrowed – by income band (IRM-2)

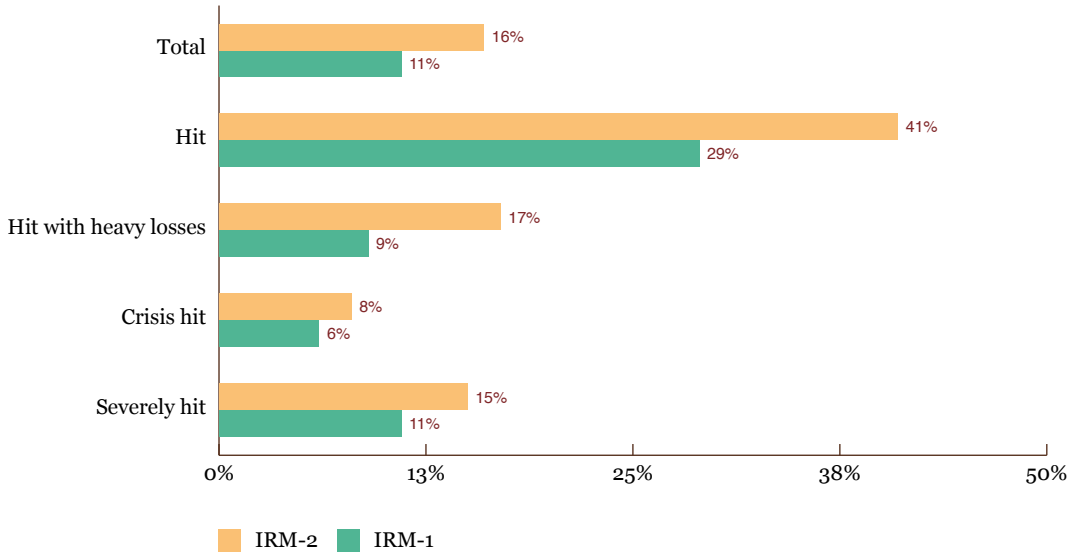
Monthly income	Friend	Relative	Neighbor	Individual	Bank	Savings group	Cooperative	Finance institution	Moneylender
<NPR 2,500	7%	24%	22%	13%	11%	11%	7%	2%	27%
NPR 2,501 - 9,999	8%	20%	27%	12%	9%	19%	11%	4%	14%
NPR 10,000 - 19,999	6%	21%	22%	15%	12%	19%	17%	6%	12%
NPR 20,000 - 39,999	5%	20%	17%	22%	21%	19%	21%	4%	14%
> NPR 40,000	7%	21%	7%	36%	36%	25%	7%	4%	7%
Total	***7%***	***21%***	***23%***	***15%***	***13%***	***19%***	***15%***	***5%***	***13%***

3.2 Remittances

Remittances as a main source of income

Remittances have increased in importance as an income source. As discussed in Chapter 2, remittances are a main source of income for 16% of the population in IRM-2 (against 11% in IRM-1). As in IRM-1, Syangja has the greatest proportion of people who report remittances as a main income source (hit district: 41%), followed by the severely hit impact districts (15%) – Figure 3.18. The share of households reporting remittances as a main income source has grown since IRM-1 in all four categories of earthquake impact. However, given that the growth is greatest in Syangja, the least affected district, this is not necessarily linked to disaster impacts.

Figure 3.18: Remittances as a main income source – by district impact (IRM-1/IRM-2 comparison)



The impact of the earthquakes on remittances

Nine percent of those who received remittances before the earthquake report that the earthquake negatively affected them (Table 3.12).[21] The rate is highest in Kathmandu (20%) and Bhaktapur (14%) along with a number of severely hit districts (Gorkha, Ramechhap, and Sindhulpalchowk). However, rates of recovery are also highest in the severely hit districts as well as more urban Kathmandu and Bhaktapur.

Table 3.12: Remittances as a share of main income source, impact on remittances, and recovery of remittances – by district impact and district (IRM-2)

	Remittance as a main income source (IRM-2)	Share of people whose remittances were affected by earthquakes (IRM-2)	Share of affected whose remittances have improved in the past three months (IRM-2)
Severely hit	**15%**	**12%**	**58%**
Dhading	24%	8%	86%
Gorkha	15%	13%	43%
Okhaldhunga	13%	9%	75%
Ramechhap	15%	18%	60%
Sindhupalchowk	10%	12%	25%
Crisis hit	**8%**	**12%**	**39%**
Bhaktapur	6%	14%	67%
Kathmandu	6%	20%	50%
Nuwakot	13%	2%	0%
Hit with heavy losses	**17%**	**5%**	**33%**
Lamjung	23%	3%	0%
Solukhumbu	11%	8%	67%
Hit	**41%**	**6%**	**38%**
Syangja	41%	6%	38%
All districts	***16%***	***9%***	***53%***

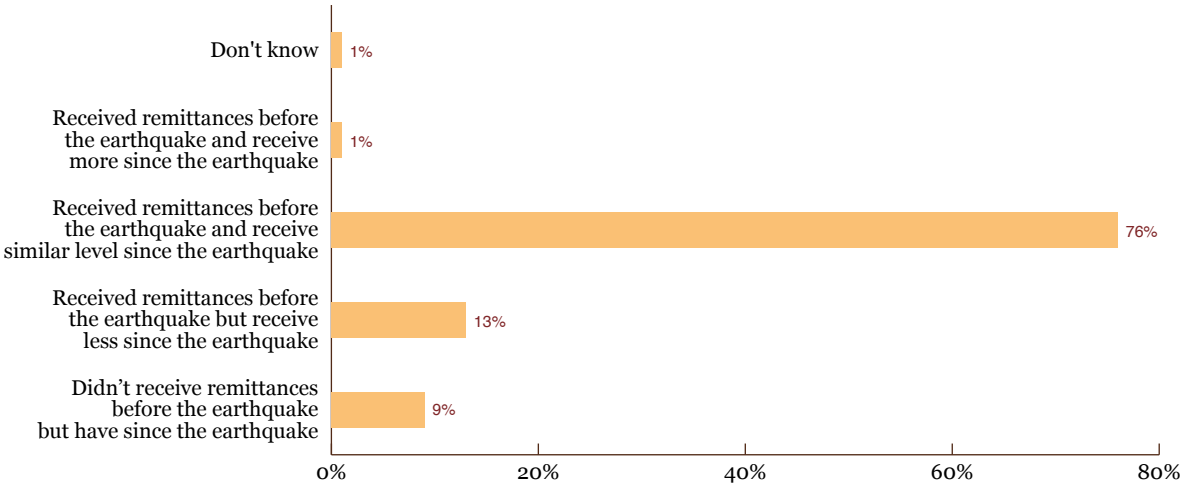
[21] The World Bank reports that remittances fell in 2015. This was primarily a result of a drop in global oil prices, which affected the ability of people to send remittances. Changes in remittances observed here are thus not necessarily linked to the earthquakes. World Bank (2016). *Nepal Development Update May 2016: Remittances at Risk*. Washington, D.C: World Bank.

Changes in remittances from abroad

Twenty-three percent of people say they have received remittances from abroad, before or after the earthquake. A small amount of people (0.5%) say they have received remittances from within the country but not from abroad.[22]

While remittances have become more important as an income source, absolute levels of remittances from abroad do not appear to have changed much. Of the 23% who have received remittances from abroad, 9% report that these are new remittances that began following the earthquake, suggesting that the money is intended to cope with disaster impacts (Figure 3.19). A further 76% who have received remittances from abroad report that they received remittances before the earthquake and continue to do so in similar amounts. Thirteen percent say they continue to receive remittances but at lower volumes than before the earthquake, while 1% say that remittances have increased since the earthquake.

Figure 3.19: Changes in remittances received from abroad (IRM-2)

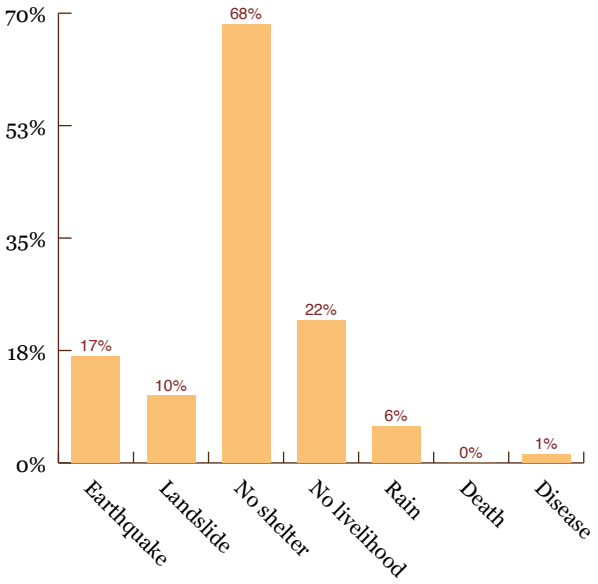


Findings from the qualitative research suggest that the decrease in remittances from abroad may be because some people overseas have returned home to help with recovery and reconstruction. A second possible reason is that there has been damage to banking infrastructure that continues to affect the routing of payments.

[22] The 23% who report receiving remittances from abroad may also have received remittances from within the country. This is distinct from those who report remittances as a main source of income, discussed above.

3.3 Migration

Figure 3.20: Reasons for migration (IRM-2)



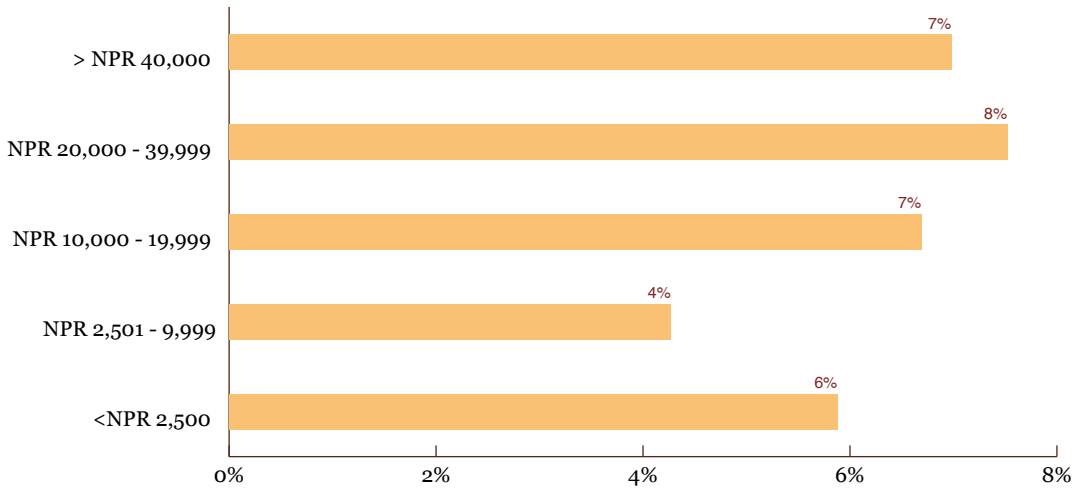
Migration levels since the earthquake are low at 6%. Eighty-seven percent of those who migrated did so in the first three months after the earthquake, 8% migrated during the 2015 monsoon, and 4% migrated after. Of those who migrated, 60% had returned to their homes by the time of the IRM-2 survey.

The most commonly cited reason for migration was lack of shelter (68%), followed by lack of livelihood opportunities (22%), landslides caused by the earthquake (17%), and the risk of future landslides (10%) – Figure 3.20.

Crisis hit districts, which include Kathmandu and Bhaktapur, have more than double the rate of migration on average (12%) relative to severely hit districts (5%); the third and fourth categories of impact have lower rates (4% and 1%, respectively). Overall, less than 1% borrowed to migrate.

The percentage of people who migrated amongst the rural population is lower than in urban areas (5% against 9%). The likelihood of migration is higher at higher income levels (NPR 10,000 and above) – Figure 3.21.

Figure 3.21: Share of people migrating – by income band (IRM-2)

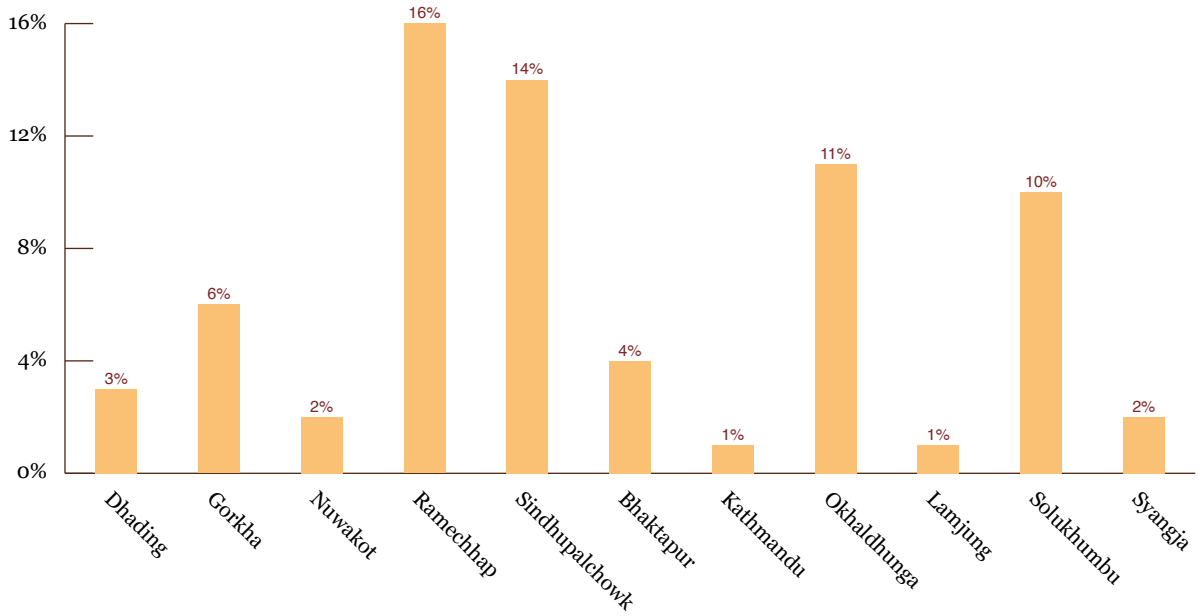


Migration rates are not notably different between caste groups, although higher castes report slightly lower migration rates (4% against 7% for Janajatis and 8% for lower castes). Those with disabilities are more likely to have migrated (7%) compared to those without (5%).

3.4 Asset sales

Sale of assets since the earthquake has been low. Across all districts, 6% have sold assets since the beginning of the 2015 monsoon. This is higher in severely hit districts (average 8%), especially Ramechhap and Sindhupalchowk, and also in Okhaldhunga and Solukhumbu (Figure 3.22).

Figure 3.22: Share of people selling assets – by district (IRM-2)



The vast majority of asset sales have been of livestock with land and household goods accounting for smaller shares. Eighty-nine percent of those who sold assets sold livestock, compared to 8% for land and 4% for household goods (Figure 3.23).

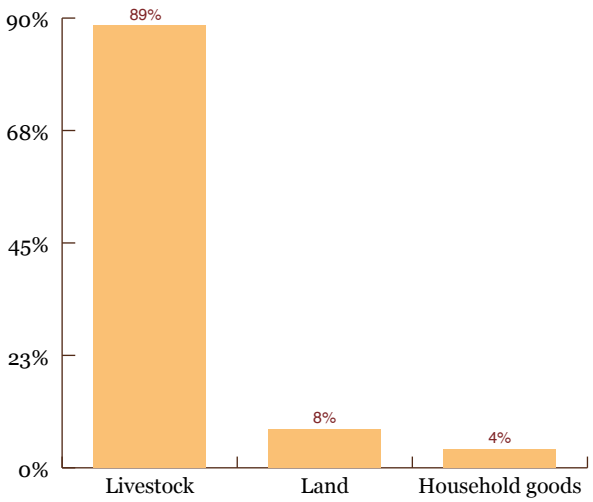
Around one-third of livestock farmers sold livestock. Given that 6% of all people sold assets, and 89% of these sold livestock, this means that 5.3% of all people across the whole sample have sold livestock. Across the districts studied, 18% of people are livestock farmers (Table 2.1 above). It thus seems that around one-third of livestock farmers have sold some of their livestock.

Of those who sold livestock, 17% say they sold all, 28% over half of the livestock they had, 30% sold between one-quarter and one-half of their livestock, and 26% under one-quarter.

People selling land account for 8% of those selling assets. This means that around 0.5% of all respondents have sold land. Of this group, 10% had sold all their land, with 3% selling over half, 28% selling between one-quarter and one-half, and 59% less than one-quarter.

Less than 0.25% of people say they have sold household goods.

Figure 3.23: Share of assets sold – by type of asset (IRM-2)



Chapter 4. Earthquake Aid

Photo: Prajita Rana

IRM-1 was conducted while the emergency response was coming to an end and recovery programs were beginning. Eight months on, how has the spread and nature of aid changed? And how has this affected satisfaction amongst the earthquake-affected?

This chapter provides information on what aid people are receiving, with a particular focus on the three dominant forms of assistance: food, shelter, and cash. It looks at the role of different aid providers, the damage assessment process, and at differing experiences of aid across areas and population groups.

Key findings:

What aid are people receiving?

- The nature of aid has changed since IRM-1. There has been a decline in the distribution of tarps and food. There has been a large increase in the provision of cash.
- Aid is still concentrated in severely hit districts but there has been a move towards decreased coverage in more affected districts and increasing coverage in less affected districts.
- The overall amount of aid has declined. There has been an increase in the proportion of people not receiving aid, in particular in Okhaldhunga district.

Food, shelter, and cash

- The food security situation is particularly grave in Okhaldhunga. Only 2% now receive food aid and a large amount of people are borrowing for food.
- There appears to have been an over-distribution of tarps to those who may not need them. The number of people receiving CGI has increased but provision is insufficient to meet needs. There has been little distribution of reconstruction materials.
- Government cash aid has been more widely distributed, and at higher volumes, than non-government cash. Non-government cash has tended to go to lower impact districts, in general to people who have not received government cash. Cash received has been insufficient to meet needs.

Providers of aid

- The government, NGOs, INGOs, and the Red Cross remain the main providers of aid. NGO and INGO aid has tended to refocus on lesser affected districts since IRM-1.

Satisfaction with aid

- There has been a rise in satisfaction with most aid providers since IRM-1. Satisfaction levels are the highest in Solukhumbu, which has received large quantities of assistance. People are least satisfied with political parties as aid providers.

Damage assessments

- Almost all people whose house was classified as fully damaged in the damage assessments have received beneficiary cards. However, many others have also received cards.
- Satisfaction with the damage assessments is not fully determined by whether people received a beneficiary card or not.
- Both government and non-government cash have been targeted at people who received beneficiary cards.

Different population groups

- The poorest and the richest are the least likely to have received aid in IRM-2. Government cash has reached poorer people but non-government cash has been less likely to go to poor people in rural areas. Satisfaction with most aid providers is lower for richer people.
- There are no major differences in the experience of aid between men and women and between the disabled and non-disabled. Janajatis are more likely to have received aid than others. However, low caste people are more likely to be satisfied with aid providers.
- Aid appears to have been well targeted by housing damage. However, of those who received aid, those whose house was less damaged are more satisfied.

4.1 What aid are people receiving?

What types of aid are people receiving?

In June 2015, two months after the earthquake, the most common forms of aid received in earthquake-affected districts were tarps, food, and cash. This reflected the response being in the emergency stage. Other relief items were received in smaller shares: blankets, sanitation packages, corrugated iron sheets (CGI), and kitchen utensils.

The nature of aid has changed as time has passed. Nearly one year on from the earthquake, respondents were asked what types of aid they had received since the beginning of the monsoon (June 2015). Figure 4.1 presents the proportion of people in surveyed districts who received each type of aid within the two periods (IRM-1: April-June 2015; IRM-2: June 2015-February 2016).

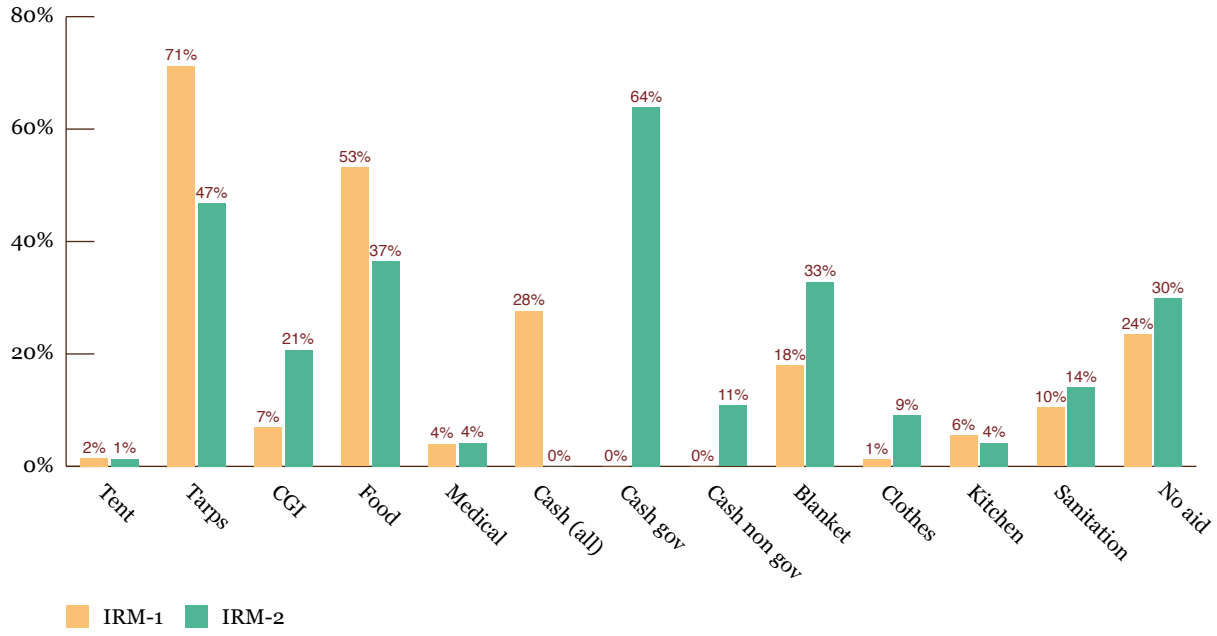
There has been a major decline in the share of people receiving tarps (from 71% to 47%) and food (from 53% to 37%). These types of aid are still more common than most others but they have been distributed much less widely since the 2015 monsoon than before it.

In contrast, there has been a large increase in the proportion of people receiving cash. Whereas in IRM-1, 28% had received cash, 64% report receiving cash from government and 11% from non-governmental sources since the beginning of the monsoon.[23] Since the beginning of the 2015 monsoon, cash has been the dominant form of aid.

Other forms of aid have increased. Distribution of blankets has nearly doubled, from 18% receiving blankets in IRM-1 to 33% in IRM-2, reflecting increased need during the winter. The number of people receiving CGI has tripled from 7% to 21%. Other items of relief have much lower shares in both IRM-1 and IRM-2. Clothes distribution has risen from 1% to 9%; medical aid and kitchen items have had fairly stable shares in both rounds.

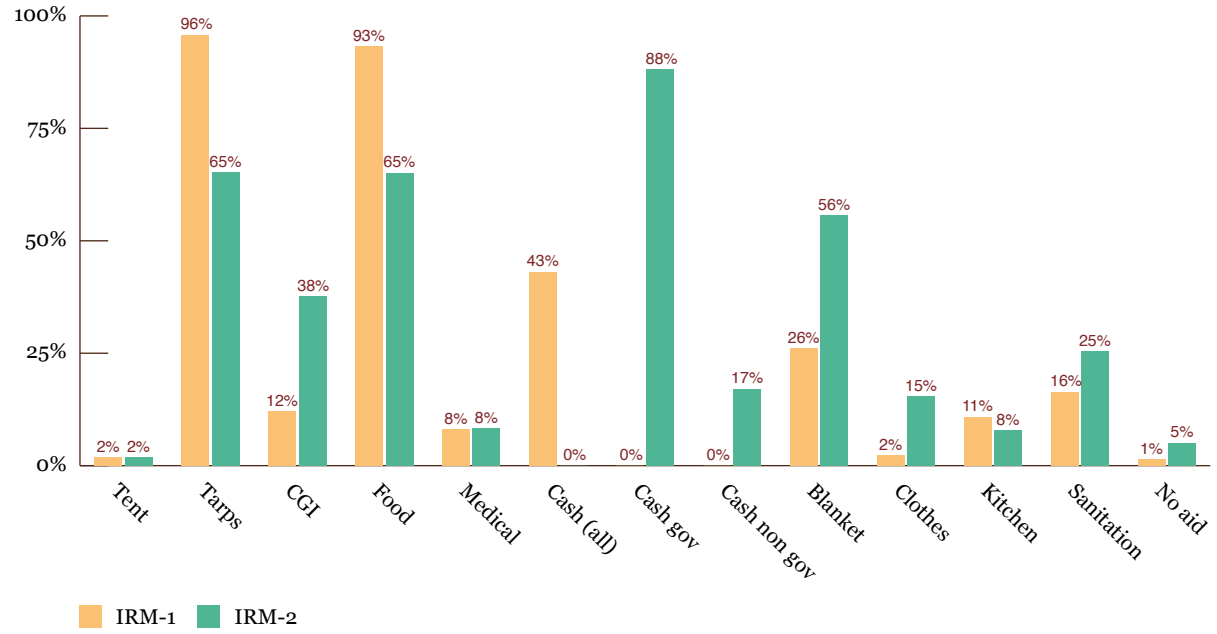
[23] IRM-1 did not disaggregate cash between that from the government and that from other sources.

Figure 4.1: Share of people receiving different types of aid – all districts (IRM-1/IRM-2 comparison)



Similar patterns can be seen when focusing only on severely hit districts, the areas that were most affected by the earthquakes (Figure 4.2). Cash, food, and tarps have reached the most people in IRM-2, with cash increasing in spread since IRM-1 and tarps and food declining. Cash has been received by almost everyone in the severely hit districts. There has also been a large rise in the number of people receiving blankets, CGI, clothes, and sanitation packages.

Figure 4.2: Share of people receiving different types of aid – severely hit districts (IRM-1/IRM-2 comparison)



There appears to be a mismatch between livelihoods needs and assistance provided. Nine percent of people in IRM-2 (14% in severely hit districts) report receiving farm implements. This is low given that farming is the primary occupation (77% farm their own land, 88% do so in severely hit districts) and 53% of those who farm their own land report that their livelihood was affected by the earthquakes (75% in severely hit districts) – see Chapter 2. There is no reported livelihood assistance for livestock rearing, despite this being the second largest occupation (29% in severely hit districts) and 40% of livestock farmers saying their income was affected. Sixty percent of those who borrowed in IRM-2 did so to support their livelihoods (Figure 3.2 above).

There has been very limited distribution of reconstruction materials since the beginning of the 2015 monsoon, with 6% receiving materials (8% in severely hit districts).[24] With 66% of houses completely or badly damaged (94% in the severely hit category), there is clearly a need for more support to help people rebuild.[25]

How does aid coverage vary by districts?

Table 4.1: Share of people not receiving aid – by district impact and district (IRM-1/IRM-2 comparison)

	IRM-1	IRM-2
Severely hit	**1%**	**5%**
Dhading	3%	8%
Gorkha	3%	7%
Nuwakot	1%	2%
Ramechhap	0%	5%
Sindhupalchowk	0%	3%
Crisis hit	**40%**	**59%**
Bhaktapur	46%	58%
Kathmandu	70%	77%
Okhaldhunga	5%	42%
Hit with heavy losses	**31%**	**29%**
Lamjung	63%	53%
Solukhumbu	4%	5%
Hit	**86%**	**70%**
Syangja	86%	70%

Aid is still primarily concentrated in severely hit districts but there has been a trend towards decreased coverage in more affected districts and increased coverage in less affected districts (Table 4.1). In IRM-1, only 1% in severely hit districts had not received any aid since the earthquake. But since June 2015, the share has increased to 5%. Similarly, in crisis hit districts, the proportion of people receiving no aid increased from 40% (IRM-1) to 59% (IRM-2). In contrast, aid coverage has increased in hit with heavy losses districts, with those not receiving aid decreasing from 31% to 29%. In the hit district, there has been a larger decline in the proportion of people not receiving aid: from 86% to 70%.

In all districts, with the exceptions of Lamjung and Syangja, there has been an increase in the share of people who have not received aid. Whereas in IRM-1, 0-3% of people in each of the severely hit districts had not received aid, this has risen to 2-8% for IRM-2. There continues to be relatively wide distribution of aid in Solukhumbu, even though this district is in the third impact category.

Okhaldhunga has seen a particularly large decrease in the share of people receiving aid: from 42% in IRM-1 to 5% in IRM-2.

What volumes of aid are people receiving?

For many types of aid, overall flows have decreased. While amounts for each person who has received aid have increased, reductions in the number of people receiving assistance mean that there has been a decrease in absolute volumes disbursed.

Tables 4.2 and 4.3 show the number of units of aid received for each person who received that type of aid, for IRM-2 and IRM-1, respectively. (Units are in pieces for all items except for food, where it is the number of days for which food to feed all members of the household was provided).

[24] Data on the distribution of reconstruction material was not collected in IRM-1, so it not possible to formally make comparisons between the two time periods. However, qualitative fieldwork from IRM-1 showed that there was next to no distribution of reconstruction materials (beyond CGI) in the first months after the earthquakes.

[25] Cash can of course be used to purchase reconstruction materials. However, the volumes of cash distributed are insufficient for any significant reconstruction to occur.

Volumes of food for households who receive it have increased since IRM-1, from food for 24 days to food for 32 days, with this increase greater in severely hit districts (from food for 26 days to food for 36 days). However, the proportion of people receiving food has declined (see Figures 4.1 and 4.2). As such, the overall volume of food distributed is lower in IRM-2 than IRM-1. It should also be noted that the IRM-2 time period is longer than the IRM-1 one, so the food received in IRM-2 has to last for longer.[26]

There has been a slight increase in the number of tarps provided to each person who receives them. However, again, the proportion of people receiving tarps has declined since IRM-1, indicating that the overall volume of tarps has declined.

In contrast, both volumes of CGI per person, and the number of people receiving CGI, have increased since IRM-1.

Table 4.2: Average aid quantity among those who received that type of aid – by district impact (IRM-2)

Impact	Tents	Tarps	CGI	Reconstruction materials	Food	Blankets	Clothes	Kitchen	Sanitation	Farm implements
Severely hit	1.0	2.3	13.1	4.5	35.9	2.4	2.6	1.3	11.3	6.4
Crisis hit	1.0	1.4	12.3	4.3	15.8	2.1	2.3	1.0	7.4	-
Hit with heavy losses	1.8	1.6	15.0	3.9	12.2	2.4	2.9	1.0	10.1	3.8
Hit	-	1.2	6.6	-	16.2	1.0	3.3	-	4.0	-
All districts	*1.1*	*2.0*	*13.2*	*4.4*	*31.8*	*2.4*	*2.6*	*1.3*	*10.9*	*6.2*

Note: Items in the table are those for which quantity information is available in IRM-2

Table 4.3: Average aid quantity among those who received that type of aid – by district impact (IRM-1)

Impact	Tents	Tarps	CGI	Food	Blankets	Clothes	Kitchen
Severely hit	5.7	2.0	9.5	26.5	1.5	1.5	1.9
Crisis hit	1.0	1.2	6.9	12.4	1.2	1.3	1.0
Hit with heavy losses	1.0	1.1	8.8	6.7	1.0	.	1.0
Hit	1.0	1.2	4.0	4.8	1.0	.	.
All districts	***3.7***	***1.7***	***9.2***	***24.1***	***1.4***	***1.5***	***1.8***

Note: Items in the table are those for which quantity information is available in IRM-1

How do volumes of aid vary by district?

Sindhupalchowk has received higher volumes of almost every type of aid compared to other districts (Table 4.4). In the crisis hit category, Okhaldhunga, which has also seen a steep decline in the share of people receiving aid, has received lower quantities of all aid items than average, except for sanitation kits, although the proportion of people receiving this item is very low (3%).

Of the hit with heavy losses districts, Solukhumbu and Lamjung have quite similar average quantities per recipient of most items except for CGI and sanitation kits, where average volumes are higher in Lamjung.[27] Volumes of aid per recipient in Syangja are lower than other districts for all items except food and clothes.

[26] IRM-1 covered aid received for approximately two months (late April to June, 2015). IRM-2 covered aid received for over six months (late June 2015 to February 2016).

[27] Larger shares of people received CGI and sanitation packages in Lamjung than in Solukhumbu. CGI: 12% Solukhumbu; 16% Lamjung. Sanitation: 5% Solukhumbu; 9% Lamjung. Proportions receiving most other types of aid are much higher in Solukhumbu than Lamjung. For example, 92% of people in Solukhumbu received tarps in IRM-2 compared to 41% in Lamjung. Thirty-three percent received food compared to 15% in Lamjung. And 81% received cash from the government compared to 23% in Lamjung.

Table 4.4: Average aid quantity among those who received that type of aid – by district (IRM-2)

Districts	Tents	Tarps	CGI	Reconstruction materials	Food	Blankets	Warm clothes	Sanitation	Kitchen items	Farm implements
Severely hit	**1.1**	**2.3**	**13.1**	**4.5**	**35.9**	**2.4**	**2.6**	**11.3**	**1.3**	**6.4**
Dhading	1.0	2.1	12.6	3.1	29.1	2.0	2.7	5.3	1.4	7.4
Gorkha	2.0	1.8	12.7	4.5	31.5	2.2	2.9	13.8	1.0	6.5
Nuwakot	1.1	1.8	13.3	4.8	28.8	1.8	1.7	6.7	1.0	1.7
Ramechhap	1.0	1.6	7.9	4.0	10.9	2.5	1.6	11.8	.	5.2
Sindhupalchowk	1.0	3.8	13.9	4.7	69.7	3.0	4.0	10.8	1.7	6.5
Crisis hit	**1.0**	**1.4**	**12.3**	**4.3**	**15.8**	**2.0**	**2.3**	**7.4**	**1.0**	-
Bhaktapur	1.0	1.5	11.3	5.0	14.9	1.7	1.8	6.7	1.0	-
Kathmandu	1.0	1.8	12.9	2.0	19.3	3.5	3.0	6.5	-	-
Okhaldhunga	-	1.1	13.0	-	3.8	1.7	2.2	11.5	-	-
Hit with heavy losses	**1.8**	**1.6**	**15**	**3.9**	**12.2**	**2.4**	**2.9**	**10.1**	**1**	**3.8**
Lamjung	2.0	1.5	18.0	4.0	11.5	1.8	2.0	11.2	1.0	3.7
Solukhumbu	1.5	1.7	11.2	3.9	12.5	2.7	3.7	8.2	1.0	3.8
Hit	-	**1.2**	**6.6**	-	**16.2**	**1.0**	**3.3**	**4.0**	-	-
Syangja	-	1.23	6.6	-	16.2	1.0	3.3	4.0	-	-
All districts	***1.1***	***2.0***	***13.2***	***4.4***	***31.8***	***2.4***	***2.6***	***10.9***	***1.3***	***6.2***

4.2 Food, shelter, and cash

Food

Table 4.5: Share of people who have received food aid – by district (IRM-1/IRM-2 comparison)

	IRM-1	IRM-2
Severely hit		
Dhading	93%	38%
Gorkha	89%	50%
Nuwakot	96%	87%
Ramechhap	89%	67%
Sindhupalchowk	100%	83%
Crisis hit		
Bhaktapur	34%	11%
Kathmandu	9%	9%
Okhaldhunga	34%	2%
Hit with heavy losses		
Lamjung	6%	15%
Solukhumbu	10%	33%
Hit		
Syangja	3%	4%
All districts	***37%***	***37%***

In almost all districts there has been a drop in the proportion of people receiving food aid (Lamjung, Solukhumbu, Syangja, and Kathmandu are the exceptions) – Table 4.5. These drops are particularly notable in Dhading (from 93% in IRM-1 to 38% in IRM-2), Ghorka (from 89% to 50%), Bhaktapur (from 34% to 11%), and Okhaldhunga (from 34% to just 2%).

The food security situation appears particularly serious in Okhaldhunga. Only 2% have received food aid since June 2015, far lower than any district. This is especially concerning as Okhaldhunga has a high share of low income households (54% have a monthly income below NPR 10,000). The district has the highest share of any district of people who borrowed in IRM-2 (70%), with the largest proportion of borrowers taking loans for food of any district (53%) (see Chapter 3). Volumes of food aid in Okhaldhunga are also the lowest of any district in both IRM-2 (four days of stock for the family, against the average of 32 days) and IRM-1 (five days of stock against the average of 24 days). This indicates persistent food insecurity for some at the household level. The proportion of people in Okhaldungha who say food consumption

Photo: Aneta Buraityte

has decreased since the 2015 monsoon is the highest outside of the severely hit districts (7%) and higher than in Ramechhap or Nuwakot, both of which were severely hit (see Chapter 5.3).

In contrast, Ramechhap and Dhading, which are similar to Okhaldhunga in several respects, fare far better in terms of food aid received, although both have seen a drop in the proportion of people receiving food. Shares of low income households are high in Ramechhap (51%) and Dhading (52%) and the proportions of people borrowing in IRM-2 are the highest after Okhaldhunga (68% and 52%, respectively). The share of borrowers taking loans for food are also the highest after Okhaldhunga (49% and 44%, respectively). However, 67% of people in Ramechhap, and 38% in Dhading, received food aid in IRM-2, far higher than in Okhaldhunga. Average food stocks provided are also much higher: 11 days in Ramechhap and 29 days in Dhading, compared to four days in Okhaldhunga. These districts were also better served for food aid in IRM-1 than Okhaldhunga: 89% and 93% received food aid; and average stocks were 11 days and 23 days, respectively. Fewer people say food consumption decreased in Ramechhap (6%) but 15% said it decreased in Dhading (Chapter 5.4).

Nuwakot district has been even better served by food aid, resulting in less insecurity. The district also has a large share of low income households (54%), quite similar to Okhaldhunga, Ramechhap, and Dhading. However, the proportion of people borrowing is much lower (43%) and the share of borrowers taking loans for food is also less (33%). The lower borrowing for food is not surprising given that the district has been well served in terms of food aid: 87% received food aid in IRM-2 and average food stocks provided are relatively high (29 days). The district also received high levels of food aid in IRM-1 (96% received food aid, with average stocks of 31 days). Only 1% say that they consume less food than before the 2015 monsoon.

Solukhumbu has the largest share of low income households of any district but has far lower shares of overall borrowing (29%) and borrowing for food among borrowers (16%), compared to the other poor districts. The share receiving food aid in this district is 33%, a large increase from the 10% in IRM-1. Average food stocks provided have also increased from four days in IRM-1 to 13 days. Only 1% say food consumption has declined since the 2015 monsoon.

The evidence from these five low-income districts suggests that where food aid does not arrive, people are more likely to borrow for food. Where groups face credit constraints that prevent them doing this, there are risks of high levels of food insecurity.[28]

[28] See Chapter 3 for a discussion of credit constraints.

Shelter

It is likely that there has been an over-distribution of tarps with many households receiving tarps both before the monsoon and during/after. The proportion of people receiving tarps has declined since the beginning of the 2015 monsoon season (from 71% in IRM-1 to 47% in IRM-2; from 96% to 65% in the severely hit districts) – Table 4.6. However, the large amount of people still receiving tarps is surprising given that initial distribution was so widespread and the fact that tarps offer little protection during the winter.

Table 4.6: Share of people who have received shelter items – by district impact and district (IRM-1/IRM-2 comparison)

		IRM-1			IRM-2			
	Housing Damage	Tent	Tarps	CGI	Tent	Tarps	CGI	Reconstruction materials
Severely hit	**94%**	**2%**	**96%**	**12%**	**2%**	**65%**	**38%**	**8%**
Dhading	97%	1%	93%	13%	1%	37%	33%	4%
Gorkha	89%	1%	96%	13%	0%	53%	27%	4%
Nuwakot	97%	6%	91%	10%	5%	72%	39%	1%
Ramechhap	90%	1%	100%	6%	1%	82%	9%	1%
Sindhupalchowk	97%	0%	99%	20%	3%	82%	82%	29%
Crisis hit	**49%**	**2%**	**48%**	**3%**	**1%**	**13%**	**3%**	**0%**
Bhaktapur	60%	3%	40%	5%	1%	17%	3%	1%
Kathmandu	26%	1%	11%	3%	3%	8%	3%	0%
Okhaldhunga	60%	2%	95%	0%	0%	16%	1%	0%
Hit with heavy losses	**44%**	**0%**	**66%**	**3%**	**1%**	**66%**	**14%**	**2%**
Lamjung	35%	1%	35%	2%	1%	41%	16%	**2%**
Solukhumbu	52%	0%	93%	3%	1%	92%	12%	3%
Hit	**21%**	**1%**	**11%**	**1%**	**0%**	**14%**	**2%**	0%
Syangja	21%	1%	11%	1%	0%	14%	2%	0%
All districts	***66%***	***2%***	***71%***	***7%***	***1%***	***47%***	***21%***	***4%***

Tarps are clearly not sufficient to address people's shelter needs. Sindhupalchowk, Ramechhap, Dhading, and Nuwakot, districts that have received particularly high distribution of tarps in IRM-2, have the highest share of borrowers taking loans for temporary shelter (Chapter 3). It is clear that people need more durable forms of shelter.[29]

This is because the distribution of more robust materials for shelter has been minimal. CGI distribution in severely hit districts has gone up since IRM-1 but is still low: 38% against 12% in IRM-1. Indeed, in IRM-2, tarps have been much more widely distributed than CGI. Besides Sindhupalchowk, where 82% have received CGI since the beginning of the 2015 monsoon, the proportion of people receiving CGI is much lower than the share of people whose houses were damaged. With the exception of Sindhupalchowk, very few people have received reconstruction materials.

This lack of distribution of more sturdy building materials means that demand is high. Table 4.7 shows the proportion of people who state that different types of shelter item are one of their top two priority immediate needs. Demand for CGI is high across the severely hit districts and some others (Okhaldhunga and Solukhumbu). Almost half of the people in the severely hit districts point to the need for reconstruction materials.[30]

[29] Table 4.7 confirms that the largest shares who report that CGI is among their top two current needs (18-20%) are in Sindhupalchowk, Ramechhap, Nuwakot, and Dhading, the four districts where borrowing for temporary shelter is the highest.

[30] Note that some people may prefer cash that allows them to buy reconstruction materials rather than the materials themselves. This will explain why those prioritizing reconstruction materials or a new house are lower than the number of people still in temporary shelter. For a full analysis of needs, see Chapter 5.

Table 4.7: Share of shelter items in top two current needs – by district impact and district (IRM-2)

	Tent	CGI	Reconstruction materials	'A house'
Severely hit	**4%**	**18%**	**47%**	**11%**
Dhading	1%	20%	39%	6%
Gorkha	2%	15%	35%	11%
Nuwakot	1%	21%	69%	0%
Ramechhap	14%	18%	59%	1%
Sindhupalchowk	1%	19%	34%	39%
Crisis hit	**2%**	**11%**	**24%**	**1%**
Bhaktapur	2%	11%	16%	3%
Kathmandu	0%	3%	17%	0%
Okhaldhunga	3%	20%	40%	0%
Hit with heavy losses	**3%**	**22%**	**22%**	**0%**
Lamjung	1%	11%	23%	0%
Solukhumbu	6%	33%	21%	0%
Hit	**3%**	**9%**	**23%**	**0%**
Syangja	3%	9%	23%	0%
All districts	***3%***	***16%***	***34%***	***5%***

The data show that provision of shelter items has not been sufficient to deal with people's shelter needs in many districts. Along with tarps, Sindhupalchowk has the largest share of people who have received CGI in IRM-1 and IRM-2. Reconstruction materials distribution is also the highest in this district in IRM-2 (29% against the average of 4%). Yet a large amount of people in the district say receiving reconstruction materials or a house is a key need.

The two poorest districts, Solukhumbu and Okhaldhunga, have contrasting experiences with the provision of shelter. In the former, tarps distribution was very high in both time periods (93% and 92%, respectively), comparable to the severely hit districts. The proportion of people receiving CGI also increased from 4% in IRM-1 to 12% in IRM-2, while reconstruction materials distribution has only covered 3% of the population. In Okhaldhunga, however, tarps distribution has fallen sharply since IRM-1 (from 95% to 16%), CGI is also very low (0% in IRM-1 and 1% in IRM-2), and there has been no distribution of reconstruction materials.

Given that the distribution of reconstruction materials is very low overall (4% have received them), including in severely hit districts (8%), it should not be surprising that this is identified as among the top two needs by 47% in severely hit districts, with people in Nuwakot and Ramechhap most likely to prioritize such materials. Among the non-severely hit districts, people in Okhaldhunga, which fares worst in terms of shelter provided, are the most likely to prioritize reconstruction materials (40%).

Cash

Cash has been much more widely distributed since the 2015 monsoon than before and in increasing volumes. The share of people who have received cash from any source (government or non-government) has risen from 28% in the immediate aftermath of the earthquake to 64% (for cash from government) and 11% (from non-government sources) in IRM-2. Amounts of cash per person have also increased. The average total cash aid received per household that received cash aid is NPR 23,066 in IRM-2, almost double the IRM-1 average of NPR 12,179 (Figure 4.3). The greatest increase has been in the severely hit districts, with Syangja (the hit district) seeing a fall in the average amount of money provided to each recipient.

Figure 4.3: Quantities of cash (NPR) among those who received cash, from all sources – by district impact (IRM-1/IRM-2 comparison)

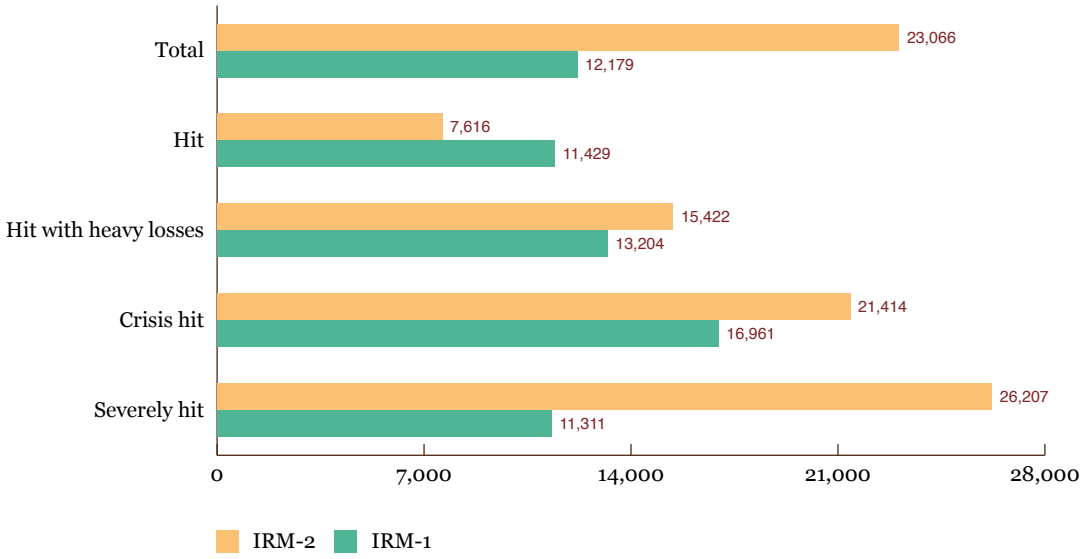
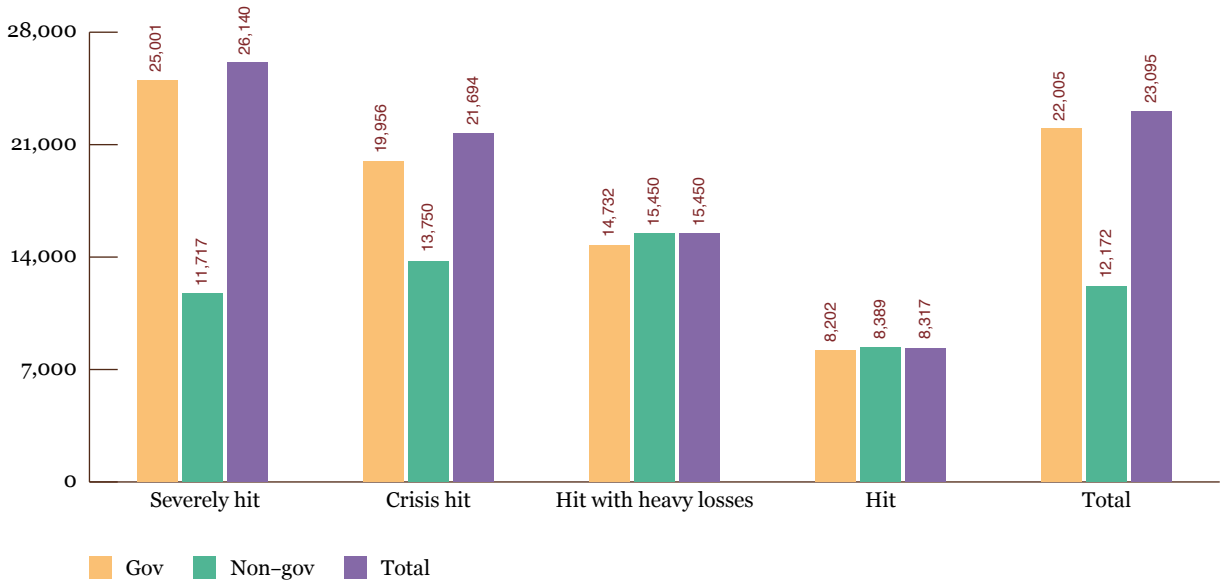


Figure 4.4: Quantities of cash (NPR) among those who received cash – by district impact and aid provider (IRM-2)



On average, recipients of cash from the government receive more than recipients from non-government providers (Figure 4.4). In severely hit districts, the amount provided to each recipient by the government is more than double that provided from other sources.

In less affected districts, the average sum provided per cash recipient is slightly higher from non-government sources than from the government. Indeed, cash from non-government sources is highest in the third impact category (NPR 15,450), followed by the second (NPR 13,750). In contrast, the average amount of cash aid from non-government sources in severely hit districts (NPR 11,717) is lower than the average amount provided to crisis hit and hit with heavy losses districts.[31] This suggests that at lower levels of impact, where the reach of all items, including government cash aid, is lower, non-government players are playing a bigger role in relief efforts, albeit with a smaller reach.

That total amounts of cash received per person from all sources are only slightly higher than the amounts provided by the government suggests that non-government providers are targeting people who have not received cash from the government. Indeed, in the severely hit districts, there is a significant negative correlation between the volume of cash aid from government and non-government sources, indicating that non-government cash aid is working to cover people who have not received government cash.[32]

Within the severely hit districts, the reach of cash aid has risen from 44% in IRM-1 to 94% in IRM-2 (inclusive of government and non-government sources). However, there is variance between districts, with fewer people receiving cash, especially from the government, in Gorkha (Table 4.8). In crisis hit districts, 46% have received cash aid from any source; the figures are 54% for hit with heavy losses districts and 28% for the hit district.

The high level of non-governmental cash in hit with heavy losses districts is driven by the amounts received in Solukhumbu, the district with the largest share of low income households. The most frequently cited sources of such aid in Solukhumbu are NGOs, INGOs, and the Red Cross.

Table 4.8: Amount of cash received (NPR) and share who have received cash – by district impact, district, and source (IRM-2)

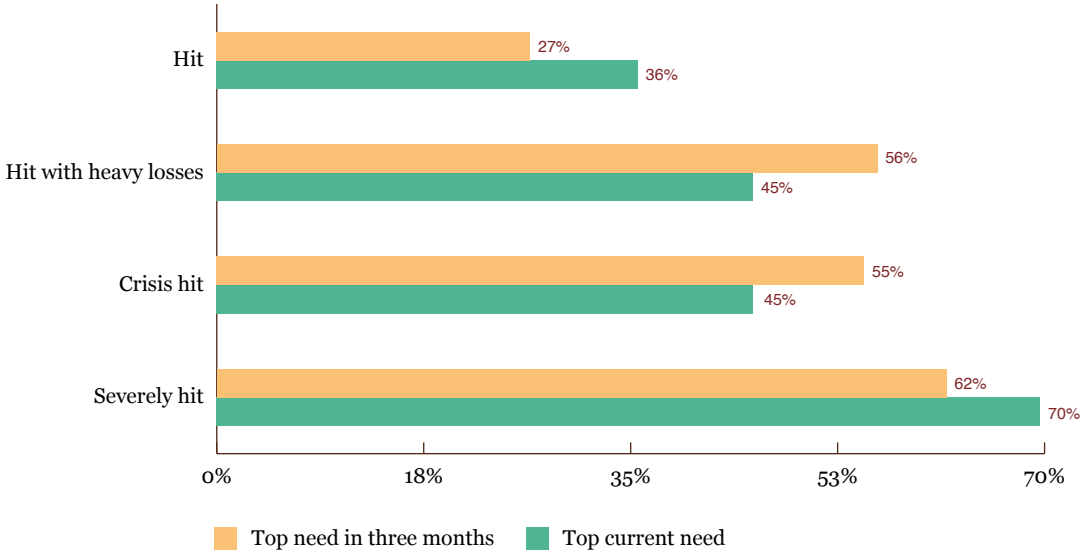
	Amount received (NPR)			Proportion receiving cash		
	Cash aid - government	Cash aid – non-government	Cash aid - total	Cash aid - government	Cash aid – non-government	Cash aid from any source
Severely hit	**25,001**	**11,717**	**26,207**	**90%**	**17%**	**94%**
Dhading	24,552	12,565	26,155	93%	14%	93%
Gorkha	19,669	12,821	20,126	70%	31%	88%
Nuwakot	29,933	7,944	30,745	96%	9%	96%
Ramechhap	24,906	10,000	24,906	95%	0%	95%
Sindhupalchowk	24,510	11,227	28,540	97%	32%	97%
Crisis hit	**19,956**	**13,750**	**21,414**	**45%**	**6%**	**46%**
Bhaktapur	24,229	15,365	26,848	50%	14%	51S%
Kathmandu	26,778	11,318	27,327	21%	3%	21%
Okhaldhunga	14,220	8,111	14,882	65%	2%	65%
Hit with heavy losses	**14,732**	**15,450**	**15,422**	**52%**	**5%**	**54%**
Lamjung	23,000	14,423	23,670	23%	8%	27%
Solukhumbu	12,420	22,125	12,712	82%	1%	82%
Hit	**8,202**	**8,389**	**7,616**	**24%**	**5%**	**28%**
Syangja	8,202	8,389	7,616	24%	5%	28%
All districts	***22,005***	***12,172***	***23,066***	***65%***	***11%***	***68%***

[31] The t-test of the difference in sample means is significant at the 1% level.

[32] The correlation is -0.14.43 and significant at the 5% level.

Despite increases in the number of people receiving cash, and the rise in volumes of cash per person, it is clear that cash provided thus far is not enough. The sums provided are insufficient for addressing key needs such as building more robust housing. For this reason, larger numbers of people, especially in severely hit districts but also elsewhere, prioritize cash as one of their priority immediate and medium-term needs (Figure 4.5).

Figure 4.5: Share of cash among top two needs now and in three months' time (IRM-2)



4.3 Providers of aid

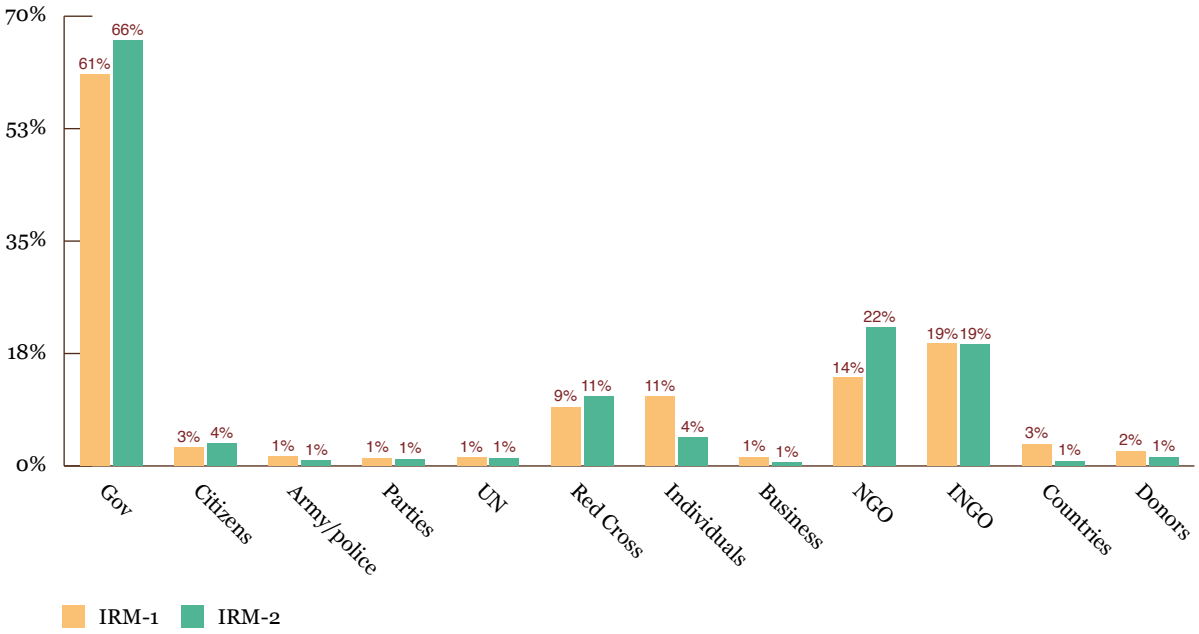
Who are people receiving aid from?

Respondents in both IRM-1 and IRM-2 were asked to provide information on the sources from whom they received aid.[33] It should be noted that responses are based on people's awareness; as such, results cannot be taken to necessarily reflect the actual shares of aid being provided by different providers.

The government, INGOs, and NGOs continue to provide aid to the most people. In IRM-1, the most common sources of aid were the government (61%), followed by INGOs (19%), NGOs (14%), individuals (11%), and the Red Cross (9%). These continue to be the most dominant providers across districts, with the exception of individuals, with only 4% receiving aid from this source in IRM-2 (Figure 4.6). The proportion of people receiving aid from the government has risen to 66%, from the Red Cross has increased to 11%, and from NGOs has increased to 22%. The proportion receiving aid from INGOs has stayed the same (19%). Other aid providers are much less prominent.

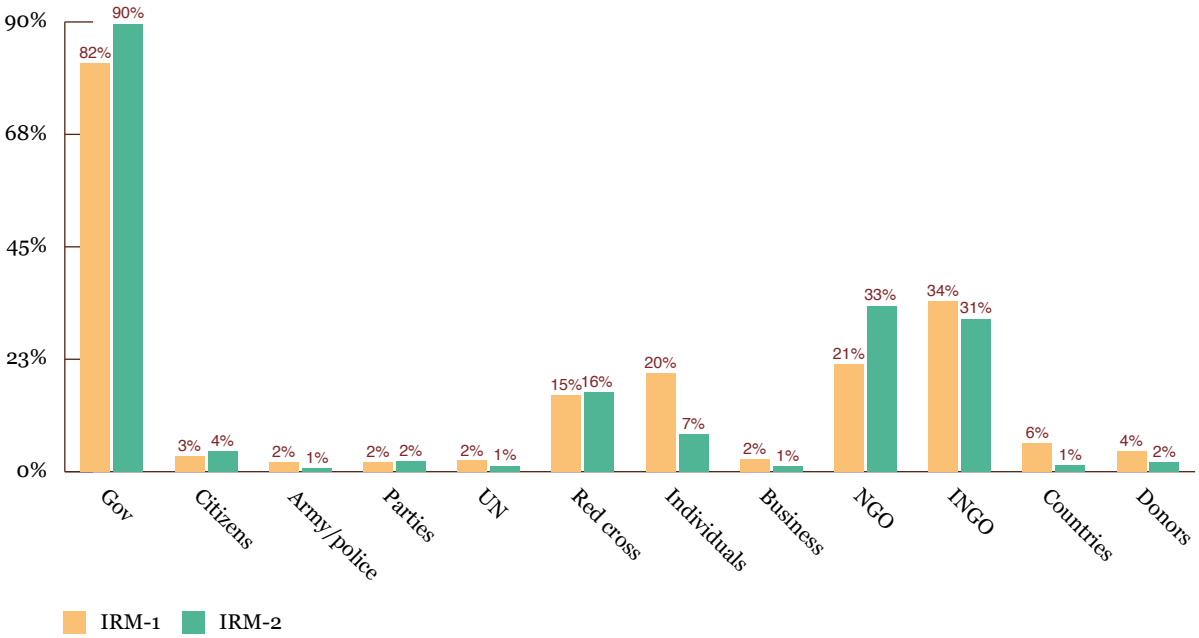
[33] 'Government' includes the Nepal Government, Village Development Committees, and municipalities; 'Citizen group' includes Ward Citizen Forums, Citizen Awareness Centers, Social Mobilizers, and the LGCDP project; 'Army/police' includes the Nepal Army, Armed Police Force, and the Police.

Figure 4.6: Source of aid – all districts (IRM-1/IRM-2 comparison)



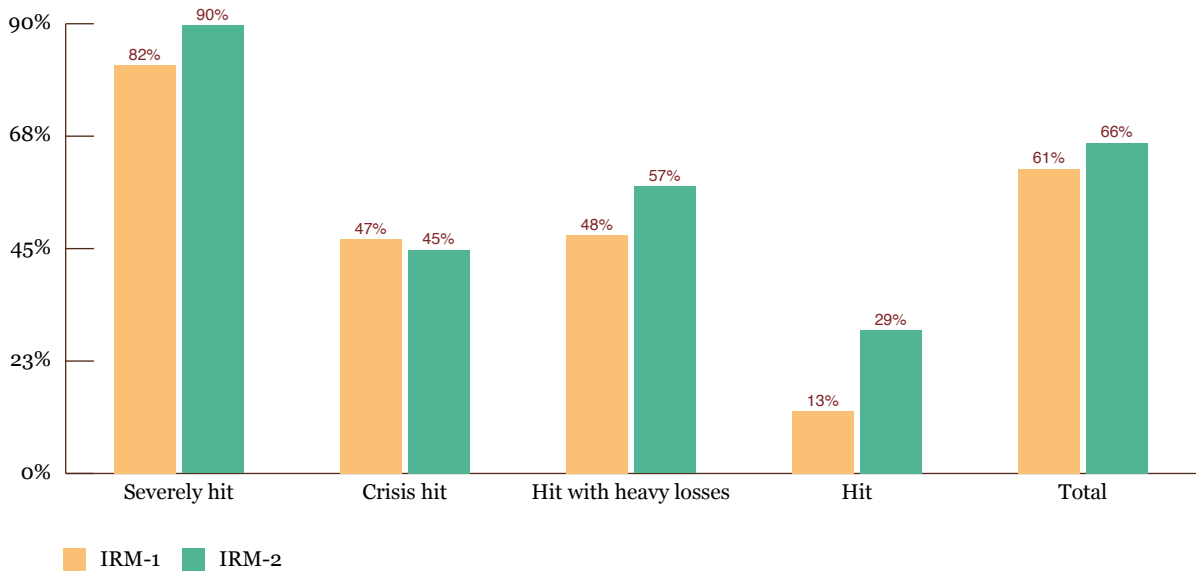
The same groups are the main sources of aid in the severely hit districts (Figure 4.7), although they cover larger shares of the population than in other districts. Government aid has reached 90% of people in these most affected districts, while NGO aid has been received by 33% and INGO aid by 31%.

Figure 4.7: Source of aid – severely hit districts (IRM-1/IRM-2 comparisons)



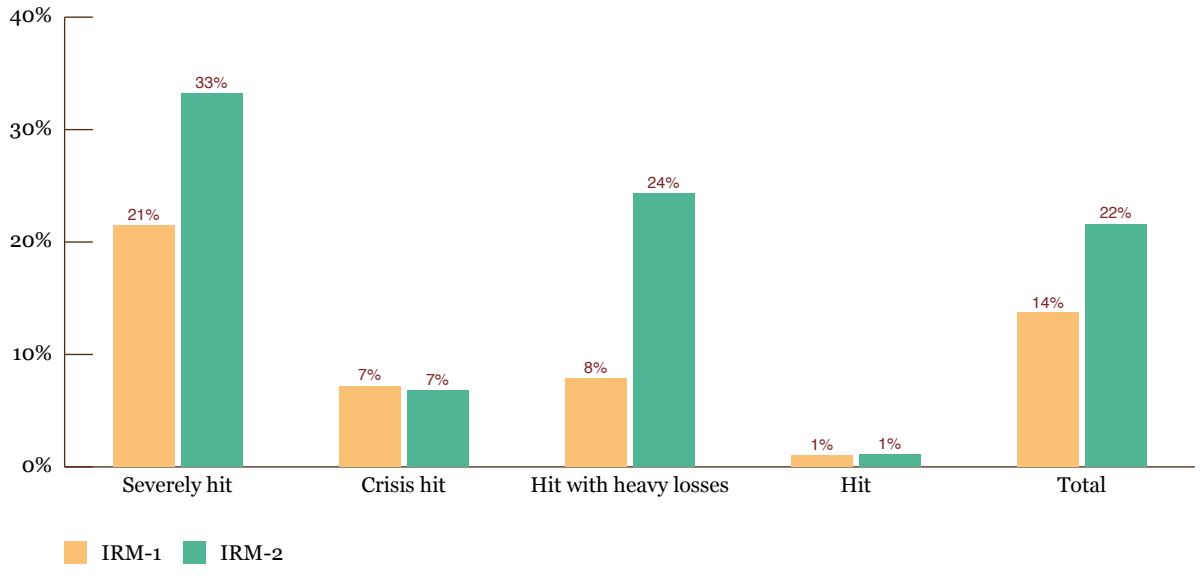
Aid from the government has been targeted at severely hit districts but has also covered many people in lesser affected districts (Figure 4.8). The sharpest rise in coverage between IRM-1 and IRM-2 has been in the least affected hit district, Syangja. Almost all of the aid going to Syangja comes from the government.

Figure 4.8: Share of people receiving government aid – by district impact (IRM-1/IRM-2 comparison)



NGO aid has also reached a larger amount of people in severely hit districts than in others. However, there has been a massive increase in the proportion of people who are receiving such assistance in the hit with heavy losses districts (Figure 4.9). The two hit with heavy losses districts—Lamjung and Solukhumbu—have very similar coverage of aid from NGOs.

Figure 4.9: Share of people receiving NGO aid – by district impact (IRM-1/IRM-2 comparison)



There has also been a large rise in INGO aid coverage in the hit with heavy losses districts, with coverage increasing from 6% in IRM-1 to 19% (Figure 4.10). In contrast to NGO aid, most of this is driven by aid provided to Solukhumbu, where 35% have received aid from INGOs in IRM-2 compared to 4% in Lamjung.

Figure 4.10: Share of people receiving INGO aid – by district impact (IRM-1/IRM-2 comparison)

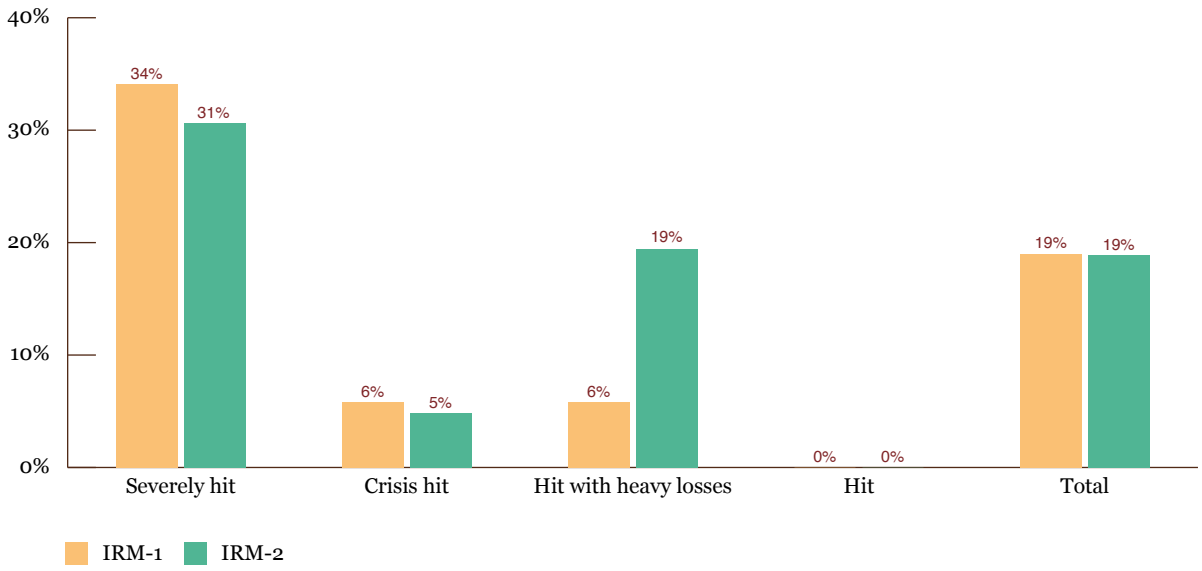


Table 4.9 provides a full breakdown of the proportion of people in each district who have received aid from each source in IRM-2.

Table 4.9: Source of aid – by district impact and district (IRM-2)

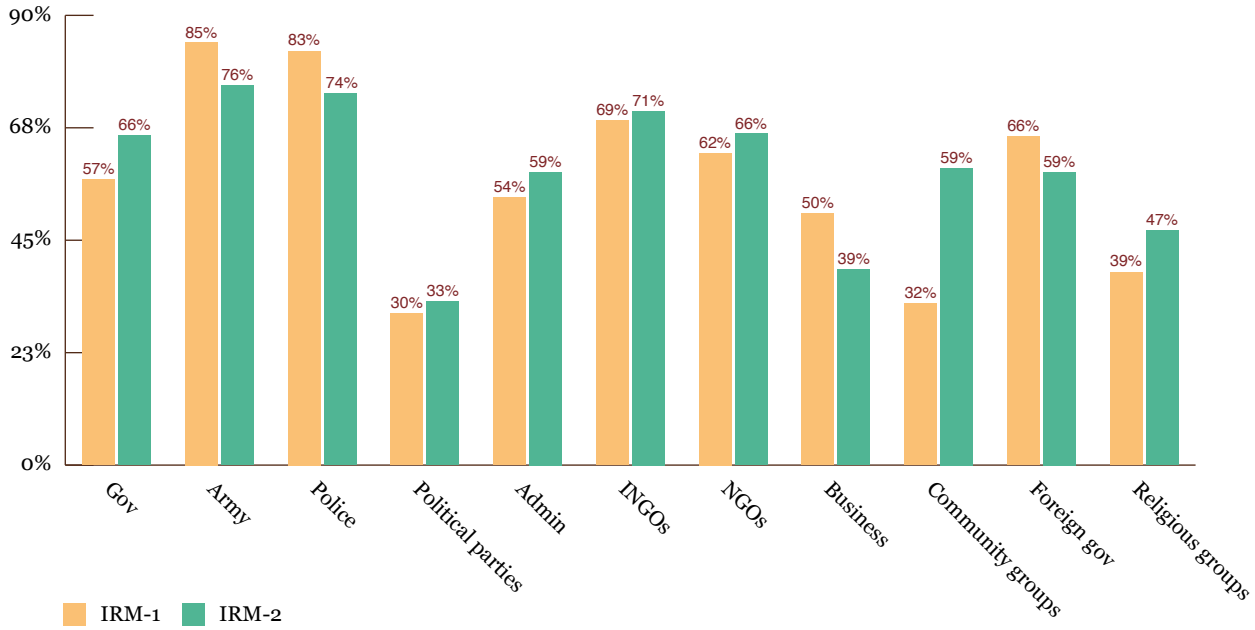
	Government	Citizen groups	Army/police	Political parties	UN	Red Cross	Individuals	Businesses	NGOs	INGOs	Foreign governments	Donors
Severely hit	**90%**	**4%**	**1%**	**2%**	**1%**	**16%**	**7%**	**1%**	**33%**	**31%**	**1%**	**2%**
Dhading	94%	1%	0%	1%	1%	5%	8%	2%	25%	12%	0%	0%
Gorkha	73%	2%	1%	1%	0%	28%	12%	1%	40%	45%	1%	0%
Nuwakot	96%	5%	0%	2%	0%	13%	11%	1%	29%	50%	3%	1%
Ramechhap	98%	9%	1%	5%	4%	15%	2%	1%	15%	10%	1%	7%
Sindhupalchowk	87%	3%	2%	1%	0%	19%	5%	1%	57%	36%	2%	1%
Crisis hit	**45%**	**2%**	**1%**	**0%**	**0%**	**5%**	**1%**	**0%**	**7%**	**5%**	**0%**	**1%**
Bhaktapur	49%	2%	1%	1%	0%	8%	2%	0%	5%	9%	0%	1%
Kathmandu	20%	3%	1%	0%	0%	4%	1%	0%	6%	3%	0%	1%
Okhaldhunga	67%	1%	0%	0%	0%	2%	1%	0%	10%	2%	0%	0%
Hit with heavy losses	**57%**	**6%**	**2%**	**0%**	**4%**	**11%**	**4%**	**0%**	**24%**	**19%**	**0%**	**1%**
Lamjung	27%	1%	2%	0%	0%	11%	4%	0%	26%	4%	0%	0%
Solukhumbu	88%	10%	1%	0%	7%	10%	3%	1%	23%	35%	0%	2%
Hit	**29%**	**1%**	**0%**	**1%**	**0%**	**3%**	**1%**	**0%**	**1%**	**0%**	**0%**	**0%**
Syangja	29%	1%	0%	1%	0%	3%	1%	0%	1%	0%	0%	0%
All districts	***66%***	***4%***	***1%***	***1%***	***1%***	***11%***	***4%***	***1%***	***22%***	***19%***	***1%***	***1%***

4.4 Satisfaction with aid providers

There has been a rise in satisfaction with most aid providers since IRM-1 amongst those who received aid (Figure 4.11). This increase has been greatest for local community organizations. The army, police, and businesses have seen the greatest drops in satisfaction levels. However, the two former organizations still see the highest satisfaction levels among any aid provider.

The army and police have actually delivered very little assistance: only 1% had received aid in both IRM-1 and IRM-2 from them (Figure 4.6 above). People may still have positive memories of the rescue role they played in the days following the earthquakes. Satisfaction with both INGOs and NGOs has increased and is similar to levels of satisfaction with the government.[34]

Figure 4.11: Satisfaction with aid providers – all districts, among those who received aid only (IRM-1/IRM-2 comparison)



Results are very similar when focusing solely on the severely hit districts where the most people have received aid (Figure 4.12).

People are most satisfied with aid providers in the hit with heavy losses districts (Table 4.10). In particular, Solukhumbu has the highest satisfaction of any district for nearly every aid provider. Satisfaction in these districts has risen significantly since IRM-1. For example, in June 2015, 66% of those who had received aid in the hit with heavy losses districts expressed satisfaction with the government; by February 2016, this had risen to 81%. Similarly, satisfaction with NGOs rose from 74% to 92%; and satisfaction with INGOs increased from 71% to 92%. One major exception is satisfaction with political parties, which has remained constant at 49%.

Okhaldhunga has the lowest satisfaction with most aid providers among all districts. Aid has fallen sharply in this district in IRM-2, particularly for essential items (food and shelter). However, even those who receive aid are less satisfied there, perhaps reflecting that either volumes have not been sufficient or that there is disillusionment as other needy people in the district miss out.

Among the severely hit districts, satisfaction with the government is highest in Ramechhap (83%) and Dhading (70%); with the army in Dhading (83%) and Gorkha (78%); with the police in Gorkha (84%) and Dhading (82%); with political parties in Ramechhap (49%); with the local administration in Sindhupalchowk (68%) and Gorkha (67%); with INGOs in Gorkha (88%) and Sindhupalchowk

[34] Analysis of satisfaction with political parties is provided in Chapter 7.

(81%); with NGOs in Nuwakot (81%) and Gorkha (74%); with business groups in Gorkha (55%); with community groups in Gorkha (72%) and Nuwakot (66%); with foreign governments in Gorkha (75%) and Sindhupalchowk (65%); and with religious groups in Nuwakot (74%).

Figure 4.12: Satisfaction with aid providers – severely hit districts, among those who received aid only (IRM-1/IRM-2 comparison)

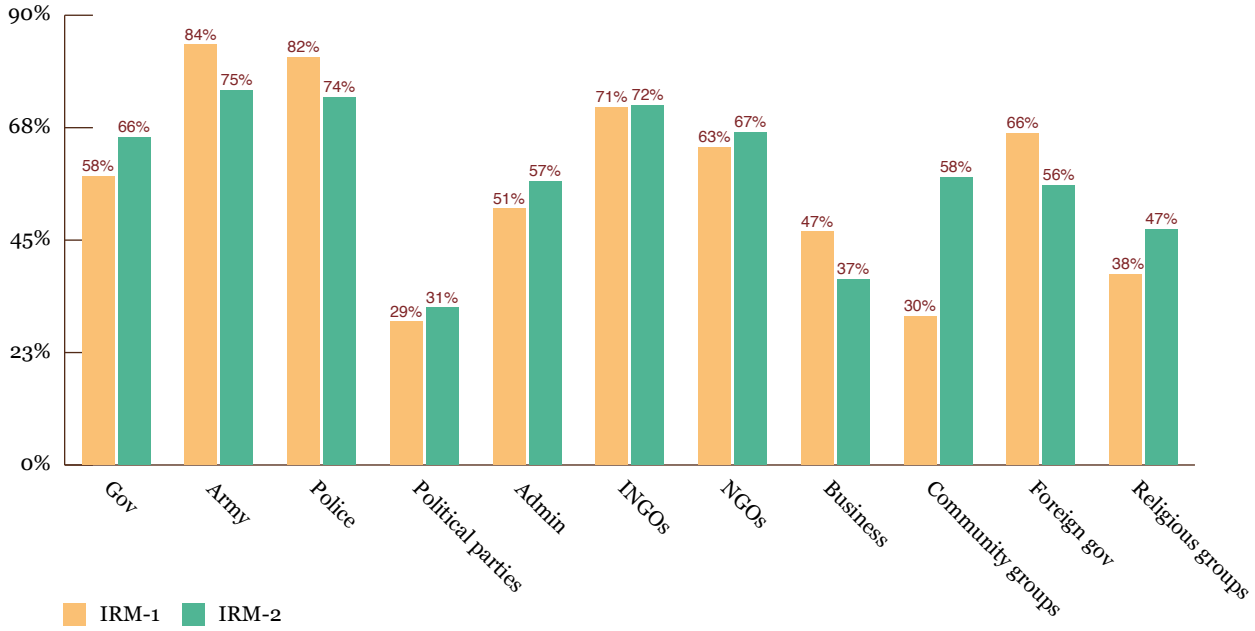


Table 4.10: Satisfaction with aid providers, among those who received aid only – by district impact and district (IRM-2)

Districts	Government	Army	Police	Political parties	Local administration	INGOs	NGOs	Businesses	Community groups	Foreign governments	Religious groups
Severely hit	**66%**	**75%**	**74%**	**31%**	**57%**	**72%**	**67%**	**37%**	**58%**	**56%**	**47%**
Dhading	70%	83%	82%	20%	49%	60%	64%	31%	52%	31%	34%
Gorkha	53%	78%	84%	26%	67%	88%	74%	55%	72%	75%	45%
Nuwakot	45%	70%	70%	26%	42%	79%	81%	41%	66%	56%	74%
Ramechhap	83%	77%	75%	49%	57%	57%	55%	30%	53%	56%	34%
Sindhupalchowk	69%	65%	56%	33%	68%	81%	64%	31%	48%	65%	56%
Crisis hit	**56%**	**66%**	**62%**	**22%**	**55%**	**50%**	**44%**	**26%**	**47%**	**41%**	**32%**
Bhaktapur	49%	66%	63%	20 %	35%	46%	35 %	26 %	57%	37%	43 %
Kathmandu	44%	100%	89%	33%	61%	67%	67%	61%	67%	72%	61%
Okhaldhunga	63%	58%	55%	20%	69%	49%	45%	19%	36%	38%	18%
Hit with heavy losses	**81%**	**93%**	**93%**	**49%**	**71%**	**92%**	**92%**	**62%**	**81%**	**93%**	**64%**
Lamjung	71%	93%	93%	36%	64%	89%	93%	57%	80%	93%	61%
Solukhumbu	94%	94%	94%	69%	81%	95%	92%	69%	81%	94%	67%
Hit	**76%**	**89%**	**92%**	**59%**	**76%**	**78%**	**78%**	**70%**	**89%**	**86%**	**57%**
Syangja	76%	89%	92%	59%	76%	78%	78%	70%	89%	86%	57%
All districts	***66%***	***76%***	***74%***	***33%***	***59%***	***71%***	***66%***	***39%***	***59%***	***59%***	***47%***

4.5 Damage assessments and beneficiary cards

The government has conducted a number of assessments to damages to houses, using these as a basis for deciding who will receive a beneficiary card. These cards determine who should receive cash assistance, including two payments made over the winter and larger future sums of money to support housing reconstruction. Only those whose house was classified as fully damaged were to receive cards.[35] To what extent were these beneficiary cards well targeted? And how has this shaped satisfaction and the likelihood of receiving cash assistance.

Damage assessment results

Table 4.11 compares the results of the damage assessment with households' self-reporting of the extent to which their house was damaged. In general, there is a close correlation between being classified as fully damaged in the assessment and households reporting that their house was completely damaged. In Gorkha and Ramechhap, however, far more people were classified as fully damaged than report that their house was completely damaged. In contrast, 53% of people in Dhading say their house was classified in the assessment as fully damaged while 77% say that their house was completely damaged.

Table 4.11: Damage assessment results and self-reported damage – by district impact and district (IRM-2)

	Damage assessment results					Self-reported damage		
	Fully damaged	Partially damaged	Normal/not damaged	Official did not arrive	Refused/don't know	Completely damaged	Badly damaged (needs major repairs)	Habitable (but needs minor repairs)
Severely hit	**80%**	**6%**	**2%**	**6%**	**6%**	**78%**	**16%**	**5%**
Dhading	53%	5%	3%	28%	11%	77%	20%	3%
Gorkha	80%	13%	6%	0%	2%	57%	32%	8%
Nuwakot	92%	3%	1%	2%	3%	92%	5%	3%
Ramechhap	83%	6%	1%	1%	10%	69%	20%	10%
Sindhupalchowk	92%	3%	1%	1%	4%	94%	3%	2%
Crisis hit	**36%**	**21%**	**36%**	**2%**	**5%**	**31%**	**18%**	**30%**
Bhaktapur	50%	11%	31%	1%	7%	46%	14%	15%
Kathmandu	16%	16%	59%	3%	6%	16%	10%	38%
Okhaldhunga	43%	37%	19%	0%	2%	32%	29%	37%
Hit with heavy losses	**31%**	**39%**	**22%**	**0%**	**8%**	**27%**	**17%**	**42%**
Lamjung	27%	19%	38%	0%	16%	24%	11%	39%
Solukhumbu	35%	58%	6%	0%	1%	29%	23%	45%
Hit	**11%**	**22%**	**66%**	**0%**	**1%**	**8%**	**13%**	**62%**
Syangja	11%	22%	66%	0%	1%	8%	13%	62%
All districts	**53%**	**17%**	**21%**	**3%**	**6%**	**50%**	**16%**	**24%**

[35] See Chapter 3.4 of the qualitative report for extensive analysis of the damage assessments. 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 and March 2016).*

Beneficiary cards and damage assessment results

In severely hit districts, most people have received beneficiary cards. However, there is some degree of variation in this, with people in Gorkha less likely to have been issued cards (Figure 4.13). In districts in other categories of earthquake impact, this variation is even greater. Amongst crisis hit districts, people in Okhaldhunga and Bhaktapur are much more likely to have received cards than people in Kathmandu. Amongst the two hit with heavy losses districts, most people have received cards in Solukhumbu while only just over one-third got cards in Lamjung.

Beneficiary cards are meant to only be issued to people whose houses are officially classified as being fully damaged. The proportion of people receiving beneficiary cards does not, however, always fit with the number of people who say that the assessment classified their houses as such. In Dhading, for example, 93% of people received beneficiary cards even though only 53% report that the damage assessment classified their house as fully damaged. In Solukhumbu, the gap is even bigger with more than twice as many people receiving cards as those reporting that their house was fully damaged.

Figure 4.13: Share of people who have received beneficiary card and whose house was classified as fully damaged – by district (IRM-2)

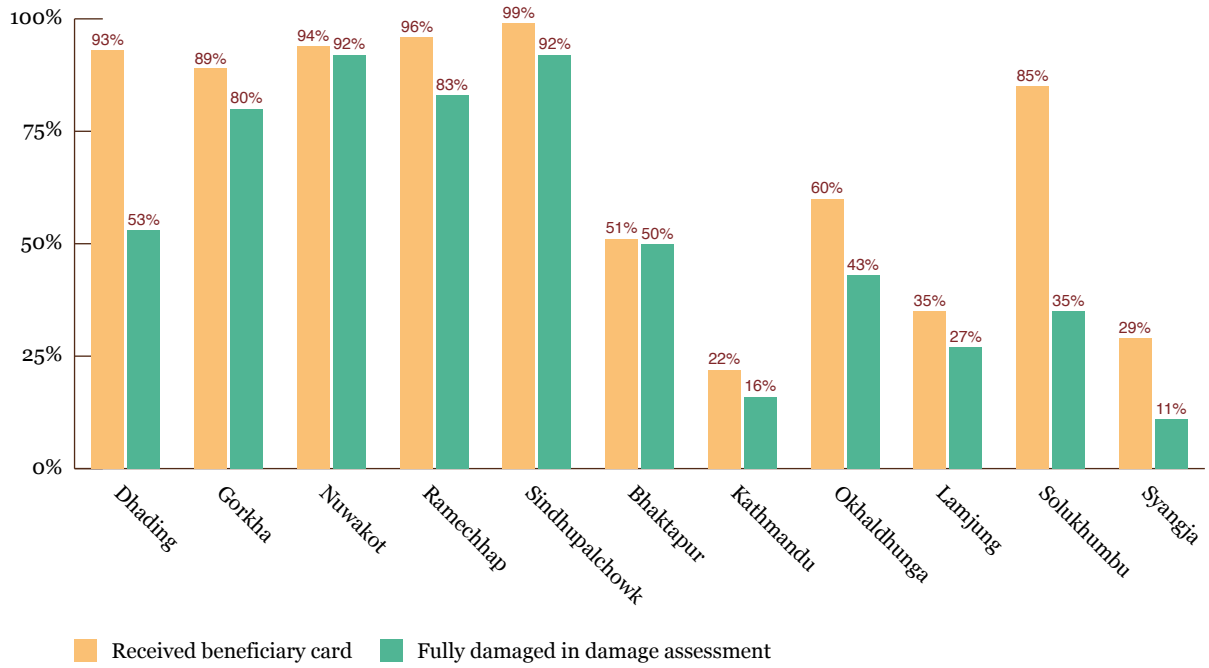


Table 4.12: Share of people who have received beneficiary card – by classification in damage assessment (IRM-2)

		Has your household received a beneficiary identity card?			
		Yes	No	Refused	Don't know
How was your house classified in the official damage assessment?	Fully damaged	97%	3%	0%	0%
	Partially damaged	67%	32%	0%	1%
	Normal/not damaged	5%	95%	0%	1%
	Official did not arrive	76%	24%	0%	0%
	Refused	0%	100%	0%	0%
	Don't know	40%	54%	0%	6%
Total		***69%***	***31%***	***0%***	***1%***

Looking at the household level, Table 4.12 shows that almost all of those whose house was classified in the damage assessment as being fully damaged have received beneficiary cards. Two-thirds of those whose houses were classified as partially damaged have received cards. Five percent of those who said that their houses were classified as not being damaged have received beneficiary cards. Interestingly, three-quarters of those who say their house did not receive a classification because officials did not arrive for the assessment have also received beneficiary cards.

Satisfaction with the damage assessment

Those who received beneficiary cards tend to be satisfied with the classification of their house in the damage assessment (61% are very satisfied, 27% are somewhat satisfied) – Table 4.13. In contrast, there are mixed levels of satisfaction amongst those who did not receive cards. Two-thirds of this group are still satisfied, but one-quarter say they are unsatisfied.

Table 4.13: Satisfaction with damage assessment – by whether or not received beneficiary cards (IRM-2)

		Has your household received a beneficiary identity card?				Total
		Yes	No	Refused	Don't know	
How satisfied were you with the classification of your house in the official damage assessment?	Very satisfied	61%	22%	0%	0%	49%
	Somewhat satisfied	27%	43%	100%	23%	32%
	Somewhat unsatisfied	3%	15%	0%	8%	7%
	Very unsatisfied	1%	10%	0%	19%	4%
	Refused	0%	1%	0%	4%%	0%
	Don't know	7%	9%	0%	46%	8%
Total		100%	100%	100%	100%	100%

Levels of satisfaction with the damage assessment are not fully determined by whether or not people received beneficiary cards. Of people who are very satisfied, 86% received beneficiary cards (Table 4.14). Amongst those who are somewhat satisfied with how their house was classified, 58% received cards while 42% did not. Furthermore, substantial shares of those who received beneficiary cards were not satisfied with how their house was classified. This suggests that some people were not happy with the damage assessment process, even when they received a beneficiary card.

Table 4.14: Whether or not received beneficiary card – by satisfaction with damage assessment (IRM-2)

		Has your household received a beneficiary identity card?				Total
		Yes	No	Refused	Don't know	
How satisfied were you with the classification of your house in the official damage assessment?	Very satisfied	86%	14%	0%	0%	100%
	Somewhat satisfied	58%	42%	0%	0%	100%
	Somewhat unsatisfied	32%	67%	0%	1%	100%
	Very unsatisfied	22%	75%	0%	3%	100%
	Refused	0%	90%	0%	10%	100%
	Don't know	64%	32%	0%	4%%	100%

Of those whose house was categorized as fully damaged, almost everyone is satisfied. Satisfaction levels are the lowest for those whose house was partially damaged, presumably because many felt they should have received assistance but have not been issued with beneficiary cards that help them access aid (Table 4.15).

Table 4.15: Satisfaction with damage assessment – by how house was classified in damage assessment (IRM-2)

		How satisfied were you with the classification of your house in the official damage assessment?						Total
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Refused	Don't know	
How was your house classified in the official damage assessment?	Fully damaged	73%	25%	1%	0%	0%	1%	100%
	Partially damaged	28%	44%	16%	11%	0%	1%	100%
	Normal/not damaged	26%	50%	15%	6%	0%	3%	100%
	Official did not arrive	3%	9%	2%	5%	1%	80%	100%
	Refused	0%	33%	67%	0%	0%	0%	100%
	Don't know	1%	5%	8%	10%	2%	74%	100%
Total		**49%**	**32%**	**7%**	**4%**	**0%**	**8%**	**100%**

Links between beneficiary cards and the distribution of cash

The government has targeted cash at those who received beneficiary cards (Figure 4.14). Ninety-two percent of those with a beneficiary card received cash from the government compared to 6% who do not have a card. Similarly, 15% of those with a card received cash from non-government organizations compared to 1% who did not have a card.

Figure 4.14: Share of people who have received cash – by whether or not received beneficiary cards (IRM-2)

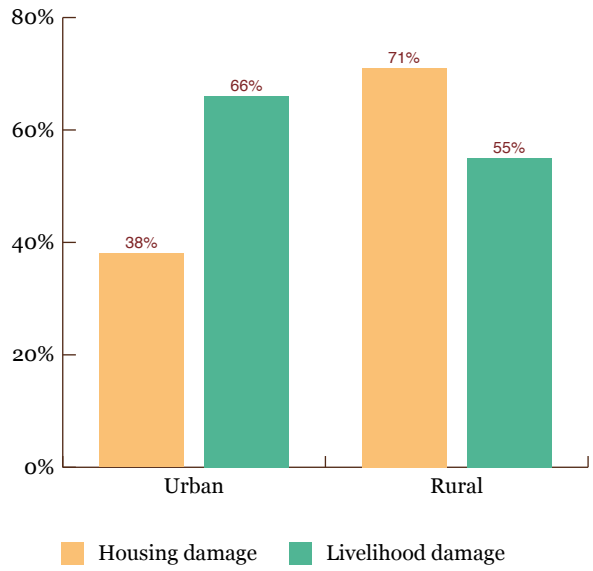


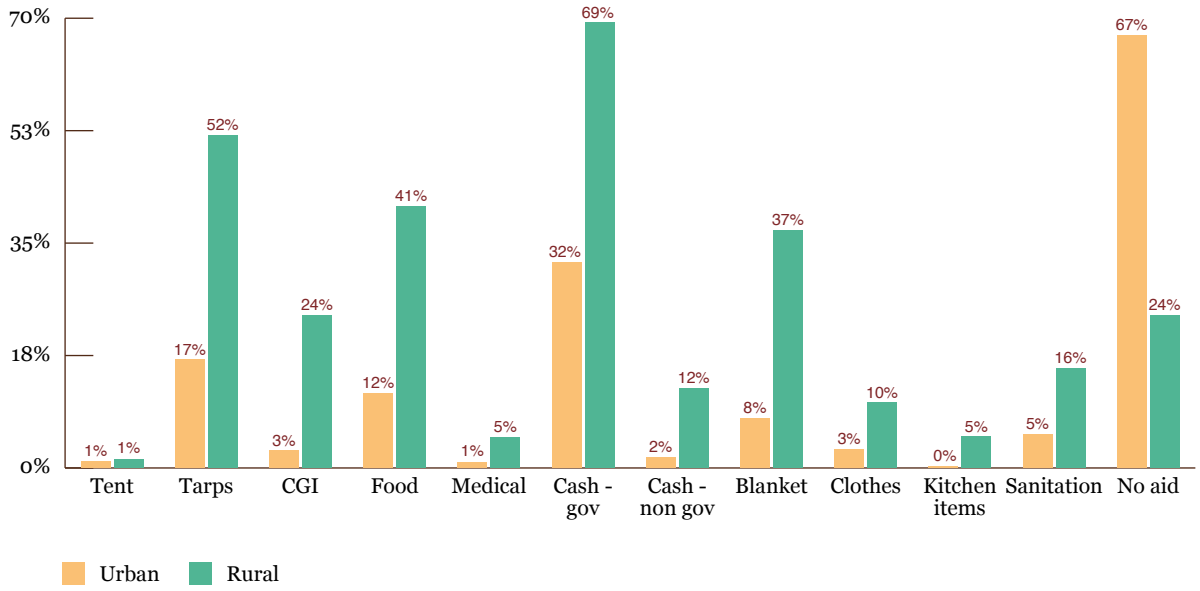
Photo: Tenzing Paljor

4.6 Experiences of aid among different population groups

Rural and urban areas

Aid provision in rural areas has been higher, with only 24% not receiving any aid compared to 67% in urban areas (Figure 4.15). For most types of aid, a larger proportion of people in rural areas received assistance than in urban areas, with the exception of tents, which is an item of minimal importance (1% received tents). This is unsurprising given the greater impacts from the earthquake in rural areas.[36]

Figure 4.15: Share of people receiving different types of aid – by urban/rural (IRM-2)

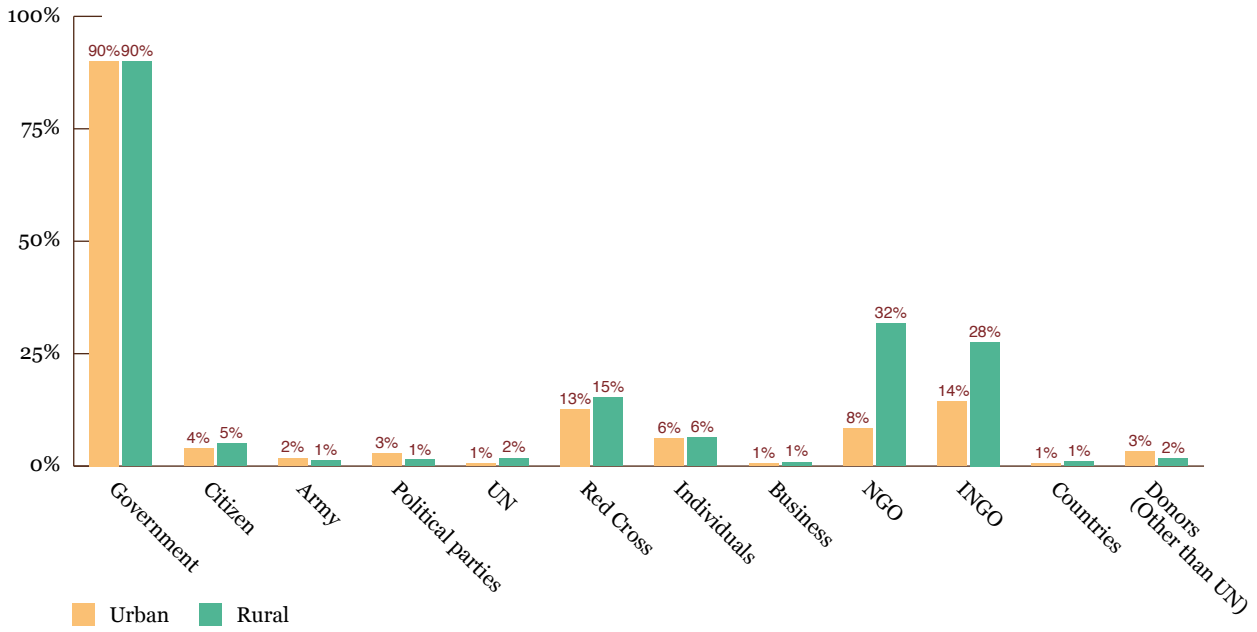


[36] Seventy-one percent of houses in rural areas were damaged by the earthquake compared to 38% in urban areas. However, the impacts on livelihoods were greater in urban areas. See Chapter 2.

Because the amount of aid that has gone to urban and rural areas is so different, in large part because of different levels of needs, Figure 4.16 compares the relative role of different aid providers for those who received aid only.

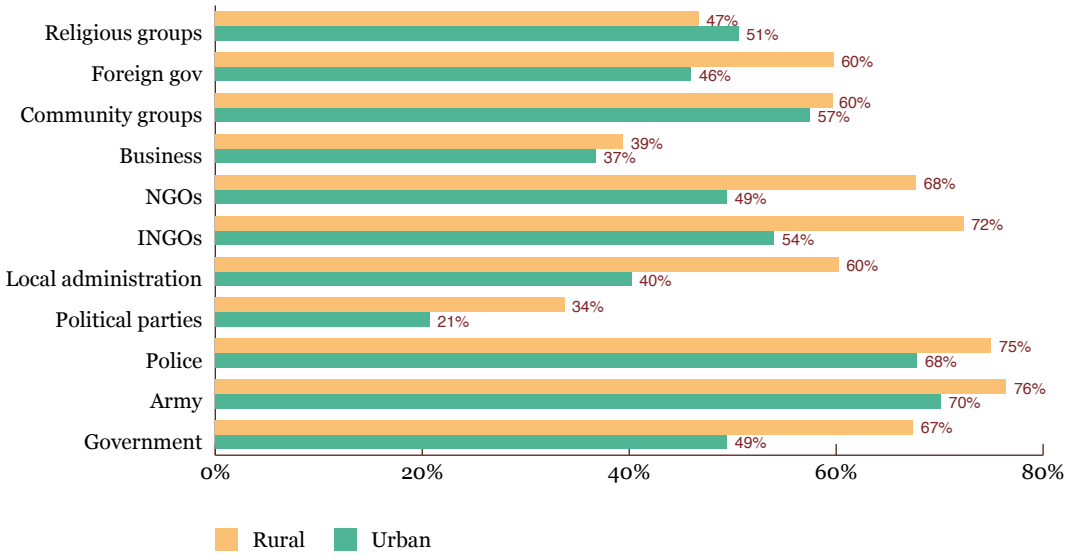
The most notable difference is that NGOs and INGOs account for a much greater share of aid in rural areas than in urban ones.

Figure 4.16: Sources of aid reported by those who received aid – by urban/rural (IRM-2)



Satisfaction with aid providers is higher in rural areas, with the exception of religious groups, where the proportion of people who are satisfied in urban areas is higher (51% against 47%) – Figure 4.17. On the one hand, this is not surprising, given that more aid has flowed to rural areas. On the other, needs are also higher in these places. Dissatisfaction with the government amongst those who received aid is notably higher in urban areas than in rural ones and there is also much lower satisfaction with political parties in urban places.

Figure 4.17: Satisfaction with aid providers among those who received aid – by urban/rural (IRM-2)



Income groups

The poorest and the richest are the most likely to have received no aid (Table 4.16). That the poor are missing out is worrying, given that the poorest were amongst the most likely to have been negatively impacted by the earthquakes.[37] Disaggregating by types of aid received, the richest and poorest are the least likely to have received almost every kind of assistance.

Table 4.16: Types of aid received – by income band (IRM-2)

Monthly income	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash – non-government	Blanket	Clothes	Kitchen items	Sanitation	No Aid
<NPR 2,500	0%	40%	10%	38%	1%	56%	3%	30%	3%	1%	7%	40%
NPR 2,501 - 9,999	1%	55%	24%	44%	5%	74%	11%	37%	8%	5%	15%	22%
NPR 10,000 - 19,999	1%	46%	22%	36%	4%	64%	13%	33%	11%	5%	15%	29%
NPR 20,000 - 39,999	2%	34%	13%	23%	3%	46%	9%	23%	7%	1%	13%	48%
> NPR 40,000	5%	28%	6%	10%	1%	31%	9%	19%	6%	1%	7%	60%
Total	***1%***	***47%***	***21%***	***37%***	***4%***	***64%***	***11%***	***33%***	***9%***	***4%***	***14%***	***30%***

Government cash has been more likely to reach those lower down the income spectrum, except in urban areas where the poorest are less likely to have received support (Table 4.17). The richest in both urban and rural areas are the least likely to have received cash from the government. Volumes of government cash in rural areas are fairly similar across all income groups, except for the richest who receive, on average, around half the amount per person that the poorer do. Average amounts of government cash per person are more similar across income groups in urban areas.

In contrast, the very poorest in rural areas are substantially less likely to receive non-government cash. In urban areas, there are few differences between different income groups. The volume of non-government cash per person also tends to be higher for richer people.

Table 4.17: Share of people who have received cash and average amounts received (NPR) for those who received it – by government/non-government, rural/urban, and income band (IRM-2)

	Proportion receiving non-government cash		Proportion receiving government cash		Non-government cash quantity (NPR)		Government cash quantity (NPR)	
Monthly income	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**	**Rural**	**Urban**
<NPR 2,500	3%	3%	67%	25%	12,833	7,000	15,910	23,058
NPR 2,501 - 9,999	11%	3%	76%	49%	11,540	5,667	16,793	21,852
NPR 10,000 - 19,999	14%	1%	69%	31%	12,164	5,000	15,034	21,511
NPR 20,000 - 39,999	11%	2%	54%	25%	13,354	12,500	13,758	24,970
> NPR 40,000	13%	3%	42%	15%	19,214	10,000	8,904	20,130
Total	***12%***	***2%***	***69%***	***32%***	***12,271***	***7,667***	***12,368***	***21,979***

[37] The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, pp. 10-11.

Table 4.18 reports the proportion of people receiving aid from each aid provider by income band. Most providers follow the common pattern, with the poorest and the richest the least likely to receive aid. However, notably the poorest are more likely to receive aid from political parties and citizen groups than those who earn more. INGOs are particularly unlikely to provide support to the poorest or the richest.

Table 4.18: Sources of aid among those who received aid – by income band (IRM-2)

Monthly income	Government	Citizen groups	Army	Political parties	UN	Red Cross	Individuals	Businesses	NGOs	INGOs	Other countries	Donors (other than UN)
<NPR 2,500	60%	4%	1%	4%	1%	6%	3%	1%	14%	7%	1%	1%
NPR 2,501 - 9,999	76%	4%	0%	1%	1%	11%	4%	1%	21%	23%	1%	1%
NPR 10,000 - 19,999	66%	4%	1%	1%	2%	12%	5%	0%	24%	20%	1%	2%
NPR 20,000 - 39,999	48%	2%	2%	0%	0%	8%	4%	0%	21%	11%	0%	0%
> NPR 40,000	34%	5%	1%	0%	3%	9%	2%	1%	16%	7%	0%	2%
Total	*66%*	*4%*	*1%*	*1%*	*1%*	*11%*	*4%*	*1%*	*22%*	*19%*	*1%*	*1%*

Satisfaction levels with all aid providers tend to be lower among the top two income brackets, with the exception of satisfaction with the army and police (Table 4.19). Satisfaction with INGOs, NGOs, and political parties is also highest among the lowest income bracket: INGOs (75% against the average of 71%); NGOs (68% against 66%); political parties (45% against 33%).

Table 4.19: Satisfaction with aid providers among those who received aid – by income band (IRM-2)

Income Groups	Government	Army	Police	Political parties	Local administration	INGOs	NGOs	Businesses	Community groups	Foreign governments	Religious groups
<NPR 2,500	65%	80%	73%	45%	60%	75%	68%	38%	63%	60%	53%
NPR 2,501 - 9,999	72%	75%	72%	32%	55%	70%	67%	40%	58%	59%	50%
NPR 10,000 - 19,999	62%	78%	78%	33%	62%	72%	66%	38%	60%	58%	43%
NPR 20,000 - 39,999	59%	71%	67%	32%	55%	70%	63%	44%	60%	59%	51%
> NPR 40,000	60%	80%	80%	40%	67%	67%	67%	40%	73%	60%	47%
Total	***66%***	***76%***	***74%***	***33%***	***59%***	***71%***	***66%***	***39%***	***59%***	***59%***	***47%***

Gender

Women are slightly less likely to get most types of aid. Thirty-one percent of women report receiving no aid compared to 29% of men (Figure 4.18). Although the differences are minor, women have a slightly lower likelihood of receiving cash from government (65% versus 62%) and non-government sources (11% versus 10%). A slightly larger proportion of women than men have received food aid (37% against 36%) and clothes (10% against 9%).

Figure 4.18: Types of aid received – by gender (IRM-2)

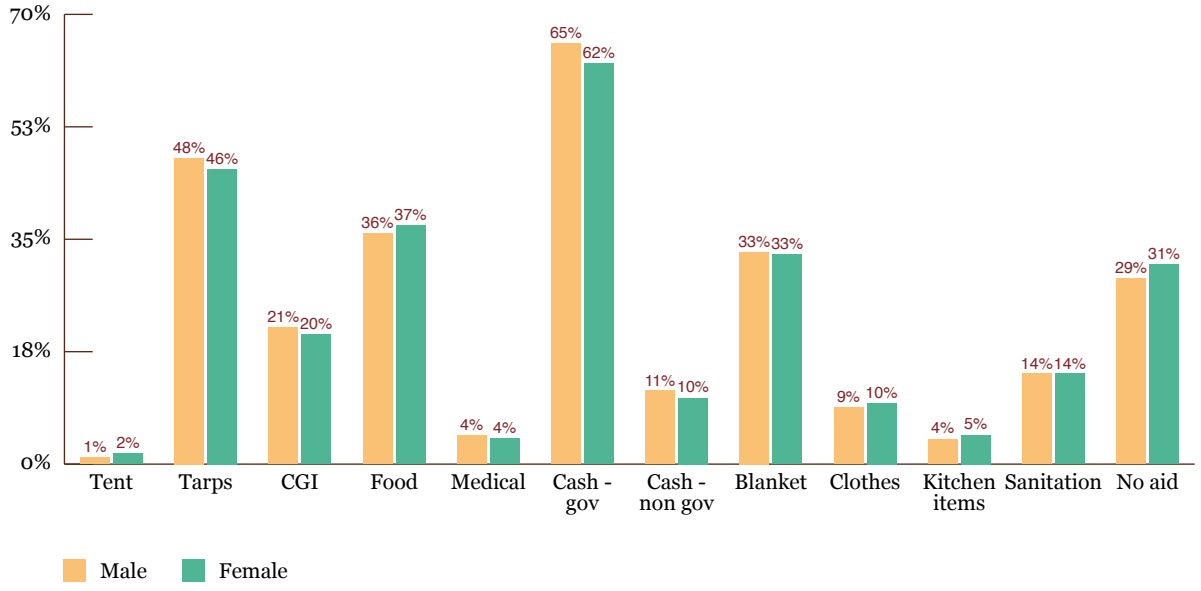
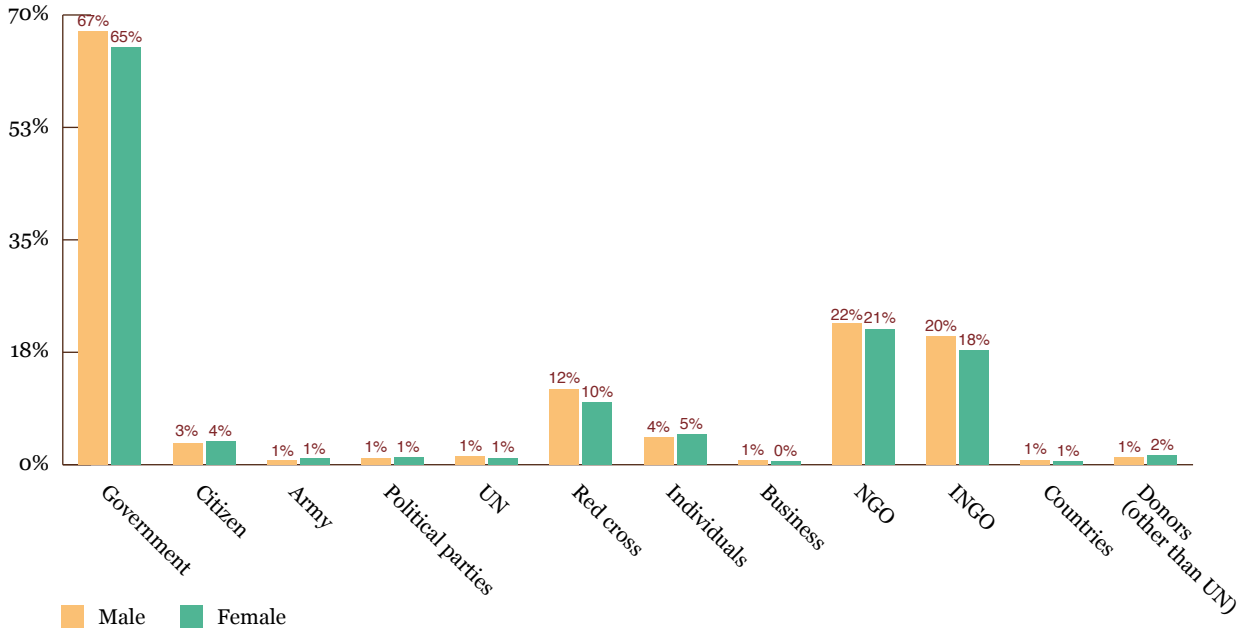


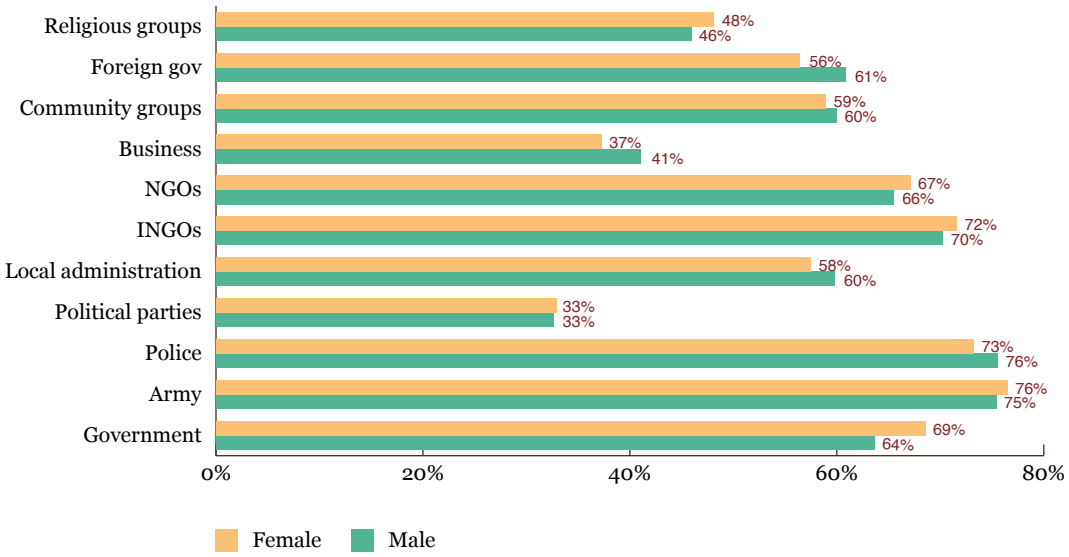
Figure 4.19: Sources of aid – by gender (IRM-2)



There are no notable differences between men and women in terms of sources of aid (Figure 4.19)

There are also no major differences between men and women in satisfaction ratings amongst those who receive aid across aid providers, although women are slightly more likely to be satisfied with the main aid providers: the government, INGOs, and NGOs (Figure 4.20).

Figure 4.20: Satisfaction with aid providers – by gender (IRM-2)



Caste groups

Janajatis are more likely to have received aid than low or high caste people (Table 4.20). This is particularly the case for CGI, food, and government cash. However, there is little difference between the groups for non-government cash and lower caste people are almost as likely to have received tarps as Janajatis.

Table 4.20: Share of people who have received aid of different types – by caste groups (IRM-2)

	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash – non-government	Blanket	Clothes	Kitchen items	Sanitation	No Aid
Low	1%	49%	19%	31%	4%	57%	12%	33%	9%	6%	12%	35%
Janajatis	1%	50%	25%	42%	5%	68%	11%	36%	9%	5%	16%	26%
High	1%	42%	14%	28%	2%	59%	10%	27%	9%	3%	11%	36%

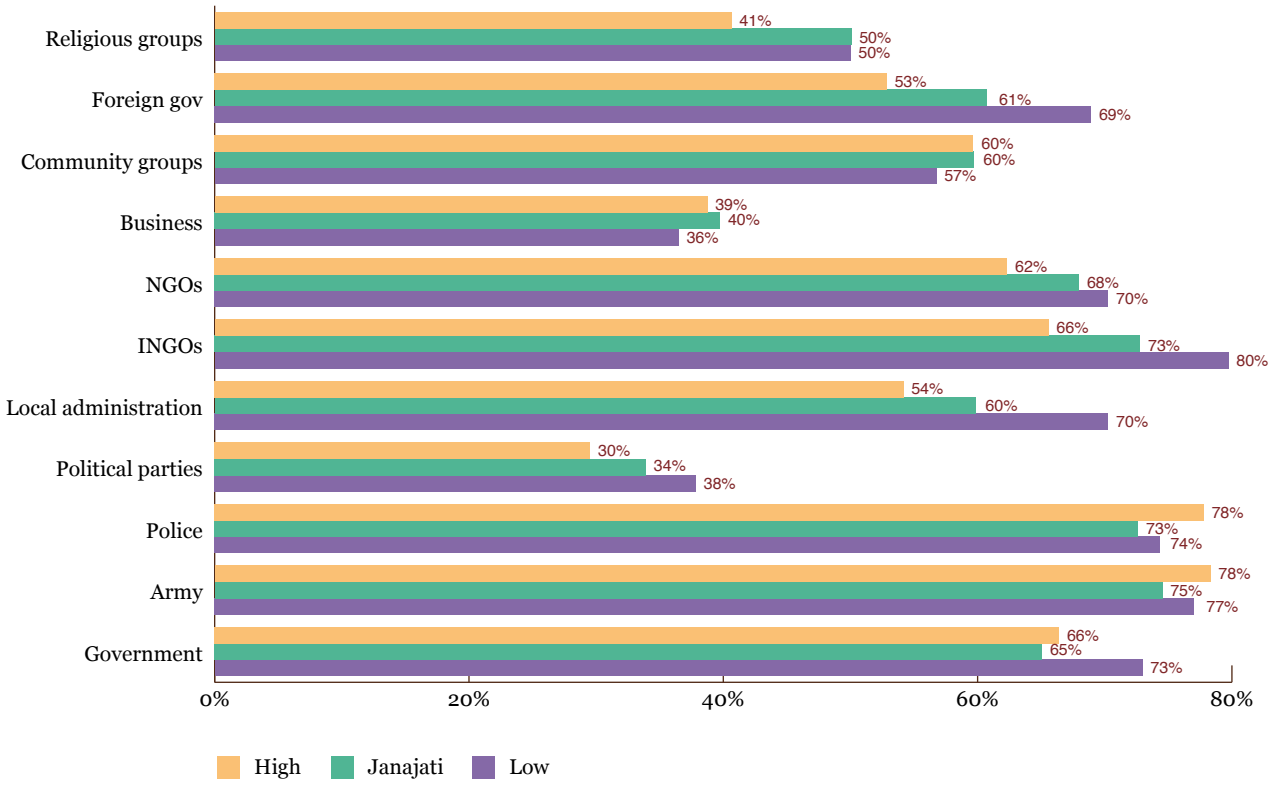
Of the main aid providers, the government and INGOs are much more likely to have provided aid to Janajatis than either low or high caste people (Table 4.21). In contrast, there is little difference in the aid provided by the Red Cross and NGOs.

Table 4.21: Sources of aid – by caste groups (IRM-2)

	Government	Citizen groups	Army	Political parties	UN	Red Cross	Individuals	Businesses	NGOs	INGOs	Other countries	Donors (other than UN)
Low	58%	1%	1%	2%	1%	10%	4%	0%	22%	16%	0%	1%
Janajatis	70%	3%	1%	1%	1%	11%	4%	1%	22%	23%	1%	2%
High	61%	4%	1%	1%	1%	10%	5%	1%	20%	13%	0%	1%

Despite being less likely to receive aid than Janajatis, lower castes are much more likely to be satisfied with aid providers than others (Figure 4.21).

Figure 4.21: Satisfaction with aid providers among those who received aid – by caste (IRM-2)



Disability

Those with disabilities are slightly more likely to have received aid than those without, although the differences are not large (Table 4.22). This holds true for most of the main types of aid.

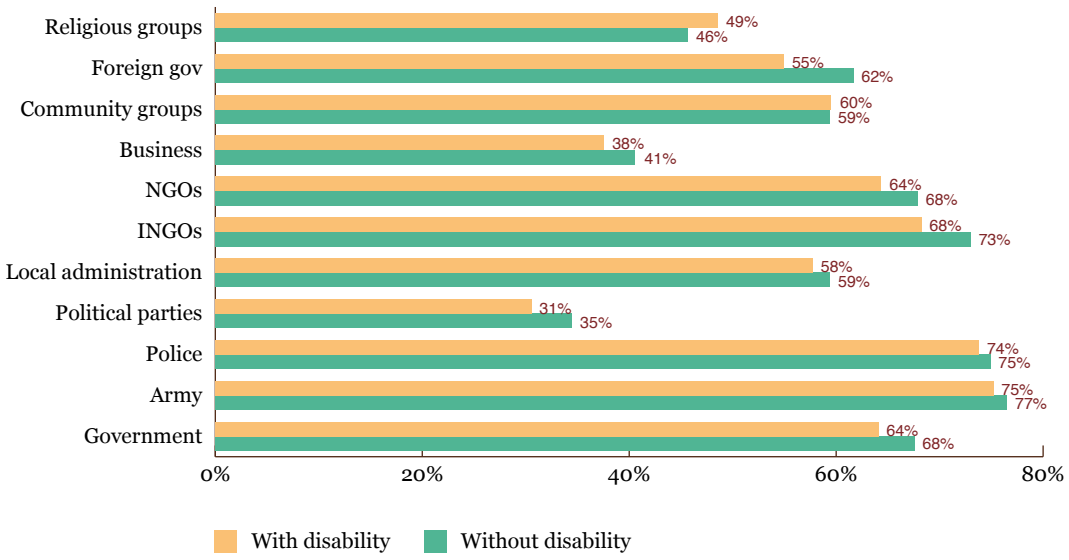
Table 4.22: Aid received – by disabled/non-disabled (IRM-2)

	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash – non-government	Blankets	Clothes	Kitchen items	Sanitation	No Aid
Without Disability	1%	47%	19%	36%	4%	61%	10%	31%	7%	4%	13%	31%
With Disability	2%	46%	24%	38%	5%	68%	12%	35%	12%	4%	16%	28%

There are not substantial differences in the likelihood of those with and without disabilities receiving aid from most providers. Those with disabilities are slightly more likely than those without to get aid from the government (69% versus 65%) and NGOs (25% versus 20%). They are slightly less likely to get aid from INGOs (18% versus 20%).

Across all aid providers, a smaller share of those with disabilities report being satisfied relative to those without disabilities, with the exception of religious groups as aid providers, where the group with disabilities has a slightly higher satisfaction rate (49% against 46%) – Figure 4.22.

Figure 4.22: Satisfaction with aid providers among those who received aid – by disabled/non-disabled (IRM-2)



Housing damage

Those whose houses were destroyed are the most likely to have received aid, with the likelihood of receiving aid reducing as housing impacts become less (Table 4.23). This is not just the case for shelter-related aid but for most other types of assistance, too. There are, however, some indications of mistargeting. A small proportion of shelter-related assistance, especially tarps, reached those who did not experience any housing impact.

Table 4.23: Aid received – by level of housing damage (IRM-2)

	Tent	Tarps	CGI	Food	Medical	Cash - government	Cash – non-government	Blankets	Clothes	Kitchen items	Sanitation	No Aid
Completely damaged	2%	63%	36%	58%	7%	91%	18%	54%	13%	6%	21%	6%
Badly damaged	1%	48%	15%	30%	3%	67%	8%	26%	13%	7%	15%	22%
Habitable	0%	30%	2%	12%	0%	32%	2%	7%	2%	0%	4%	57%
Not damaged	0%	4%	1%	2%	0%	2%	0%	2%	1%	0%	1%	94%

The likelihood of receiving cash is the highest amongst those whose houses were completely damaged and declines as housing impact reduces (Table 4.24). Overall, less than 5% of those with completely damaged homes report not having received cash aid from any source. It is more concerning that over one-quarter with badly damaged homes have not received cash aid from any source. Two-thirds of those with damaged but habitable homes have not received cash.

The volumes of cash received for each beneficiary do not correlate closely with housing impact. There is little difference in the amount of cash received by each person for non-government cash. Those with completely damaged homes receive the most cash per person. Surprisingly, however, those whose houses have not been damaged who have received government cash report receiving NPR 21,429 on average, although this is only a very small share (0.5%) of people who received cash across all the districts.

Table 4.24: Volumes of government and non-government cash aid among those who received it (IRM-2)

Housing Damage	Non-government cash (NPR)	Government cash (NPR)	No cash aid (Proportion)
Completely damaged	12,440	24,608	4%
Badly damaged	10,071	19,784	27%
Habitable	12,763	9,758	66%
Not damaged	10,000	21,429	98%
Total	***12,172***	***22,005***	***32%***

The government, NGOs, INGOs, and the Red Cross are the dominant aid providers for people with all categories of housing impact (Table 4.25).

Table 4.25: Share of people who have received aid from each source – by level of housing damage (IRM-2)

	Government	Citizen groups	Army	Political parties	UN	Red Cross	Individuals	Businesses	NGOs	INGOs	Other countries	Donors (other than UN)
Completely damaged	91%	5%	1%	2%	1%	16%	6%	1%	32%	29%	1%	1%
Badly damaged	73%	4%	2%	1%	2%	13%	7%	0%	24%	16%	0%	2%
Habitable	37%	1%	0%	0%	1%	2%	2%	0%	7%	8%	0%	1%
Not damaged	3%	0%	0%	0%	0%	1%	1%	0%	2%	1%	0%	0%

Levels of satisfaction are higher amongst those whose homes were less affected for most providers (Table 4.26). This may be because volumes of aid have been sufficient to help those who were less impacted recover, while for those who experienced higher impacts, aid has been insufficient.

Table 4.26: Satisfaction with aid providers among those who received aid – by level of housing damage (IRM-2)

Housing Damage	Government	Army	Police	Political parties	Local administration	INGOs	NGOs	Businesses	Community groups	Foreign governments	Religious groups
Completely damaged	66%	77%	75%	32%	59%	72%	67%	37%	59%	56%	49%
Badly damaged	63%	77%	77%	27%	56%	68%	67%	45%	62%	64%	40%
Habitable	70%	69%	68%	40%	62%	66%	63%	41%	56%	68%	46%
Not damaged	88%	75%	75 %	75%	75%	75%	63%	63%	63%	63%	63%
Total	***66%***	***76%***	***74%***	***33%***	***59%***	***71%***	***66%***	***39%***	***59%***	***59%***	***47%***

Chapter 5. Needs and Services

Photo: Tenzing Paljor

Almost one year on from the earthquakes, what needs do people have and how do these differ across areas and between population groups? And how do people view public services?

This chapter tracks changes in needs since the early post-earthquake period. It looks at what people say they need now and in the near future. It focuses in on needs related to shelter and food and assesses the extent to which the provision of aid in these areas has helped. It also looks at people's views of government services.

Key findings:

Needs

- Cash, shelter, and food remain the priority needs of people. Over two-third of people identify cash as a priority immediate need (85% in severely hit districts).
- Of the remaining needs, water is identified by the highest amount of people (11%, 17% in severely hit districts).

Shelter needs

- Eighty percent of people in severely hit districts are still living in self-constructed temporary shelters.
- Shelter needs are highest in Nuwakot, Ramechhap, and Sindhupalchowk. People increasingly want reconstruction materials rather than tarps or CGI.
- Reconstruction materials are in high demand amongst people whose house was badly but not completely damaged. There is a need to provide assistance to these people as well as those whose houses were completely destroyed.
- Many people who live in their own house or others' houses want reconstruction materials. This suggests they are living in damaged and unsafe houses.

Food needs

- Wherever food aid has fallen since IRM-1, people report that food consumption has decreased. In the five poorest districts, food aid appears to reduce the need to borrow for food.
- Food aid has been successfully targeted at areas that are more severely food insecure. However, people in these areas are still the most likely to say that food consumption has decreased since IRM-1, suggesting volumes of food aid are not sufficient.
- The fuel crisis raised the price of food in all areas.

Services

- Levels of dissatisfaction with most public services have increased slightly since IRM-1. The exception is education where satisfaction has increased.

- In the districts most affected by the earthquakes, electricity and drinking water are the two services needing the most attention. Dissatisfaction with services is higher in urban areas (especially Kathmandu and Bhaktapur) than in rural areas.

- Dissatisfaction levels are higher for those who are richer, more educated, or high caste. There is little difference in satisfaction levels by gender or disability.

5.1 Overall needs

What are current immediate needs?

Key needs in earthquake-affected areas relate to cash, food, and shelter. Respondents were asked what their priority immediate needs were. Table 5.1 presents the share of people who identified each aid item as one of their top two immediate needs.

In districts of all levels of impact, cash is the most frequently voiced immediate need. Over-two thirds of people identified this as a priority immediate need. The proportion rises to 85% in the severely hit districts. Next most common was reconstruction materials in every category of impacts with 34% of people prioritizing this (47% in severely hit districts). This should not be surprising since households would now want to have permanent housing, given that it has been over a year since the earthquake. Food is also a high priority, although less so in the hit district. CGI is prioritized by 16% of people, primarily people in severely hit and hit with heavy losses districts.

Of the remaining potential priorities, 11% identify water (7% drinking water and an additional 4% water for the household). Respondents who prioritized water are concentrated in severely hit districts, where 17% said it was a top priority. Other potential needs are prioritized by far fewer respondents.

Table 5.1: Priority immediate needs (share in top two needs) – by district impact (IRM-2)

	Severely hit	Crisis hit	Hit with heavy losses	Hit	*Total*
Cash	85%	53%	65%	40%	***69%***
Reconstruction materials	47%	24%	22%	23%	***34%***
Food	23%	13%	17%	7%	***18%***
CGI	18%	9%	22%	9%	***16%***
Drinking water	11%	5%	2%	4%	***7%***
A house	11%	1%	0%	0%	***5%***
Water for household	6%	2%	1%	1%	***4%***
Farm Implements	5%	2%	2%	1%	***3%***
Livestock	4%	2%	3%	1%	***3%***
Blankets	2%	1%	6%	2%	***2%***
Tarps	3%	1%	2%	3%	***2%***
Medical	2%	2%	1%	3%	***2%***
Sanitation	3%	1%	0%	1%	***2%***
Clothes	1%	2%	1%	1%	***1%***
Tent	1%	1%	2%	1%	***1%***
Fuel	0%	2%	0%	0%	***0%***

How have needs changed over time?

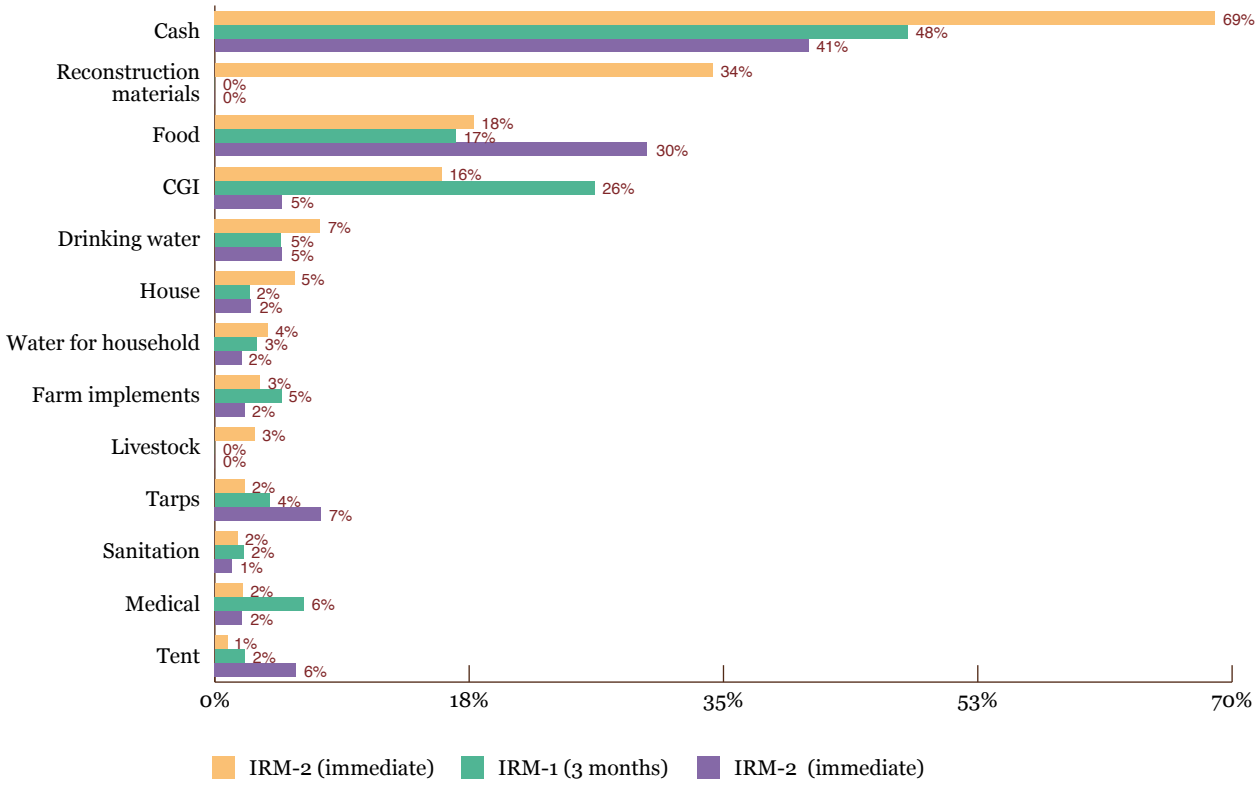
Cash and shelter have become higher priority needs for affected people compared to the early months after the earthquakes. Food, while still an important need, is prioritized less than in IRM-1.

In IRM-1, the largest share had indicated that their most important immediate need was for cash: 41% had cited cash as among their top two immediate needs and this was fairly consistent across levels of impact. The next requirement was for food (30%), followed by clean drinking water (5%). Prioritization of shelter was low and spread across the various shelter options fairly evenly: tents (6%), tarps (7%), CGI (5%), and "houses" (2%).

Respondents in IRM-1 were also asked to prioritize their needs over the next three months (July-October, corresponding with the 2015 monsoon season). People largely prioritized the same needs, but with more people saying that cash and CGI would be needed (26% compared to 5% as an immediate need). The much higher share of CGI indicated as a future need relative to a current need in IRM-1 reflected a recognition of the importance of people getting in to more durable shelters, even if they were temporary, before the winter hit.

Figure 5.1 compares needs prioritized by respondents across three time periods: needs in June 2015 (IRM-1 immediate needs); expected needs during the 2015 monsoon season (IRM-1 three-month needs); and needs in February-March 2016 (IRM-2 immediate needs).

Figure 5.1: Priority needs (share in top two needs) – all districts
(comparison IRM-1 immediate needs, IRM-1 three-month needs, IRM-2 immediate needs)



** Data on reconstruction materials and livestock as needs were not collected in IRM-1. Blankets, clothes, and fuel are not shown in the figure, because shares prioritizing these (for both IRM-1 and IRM-2) are negligible.*

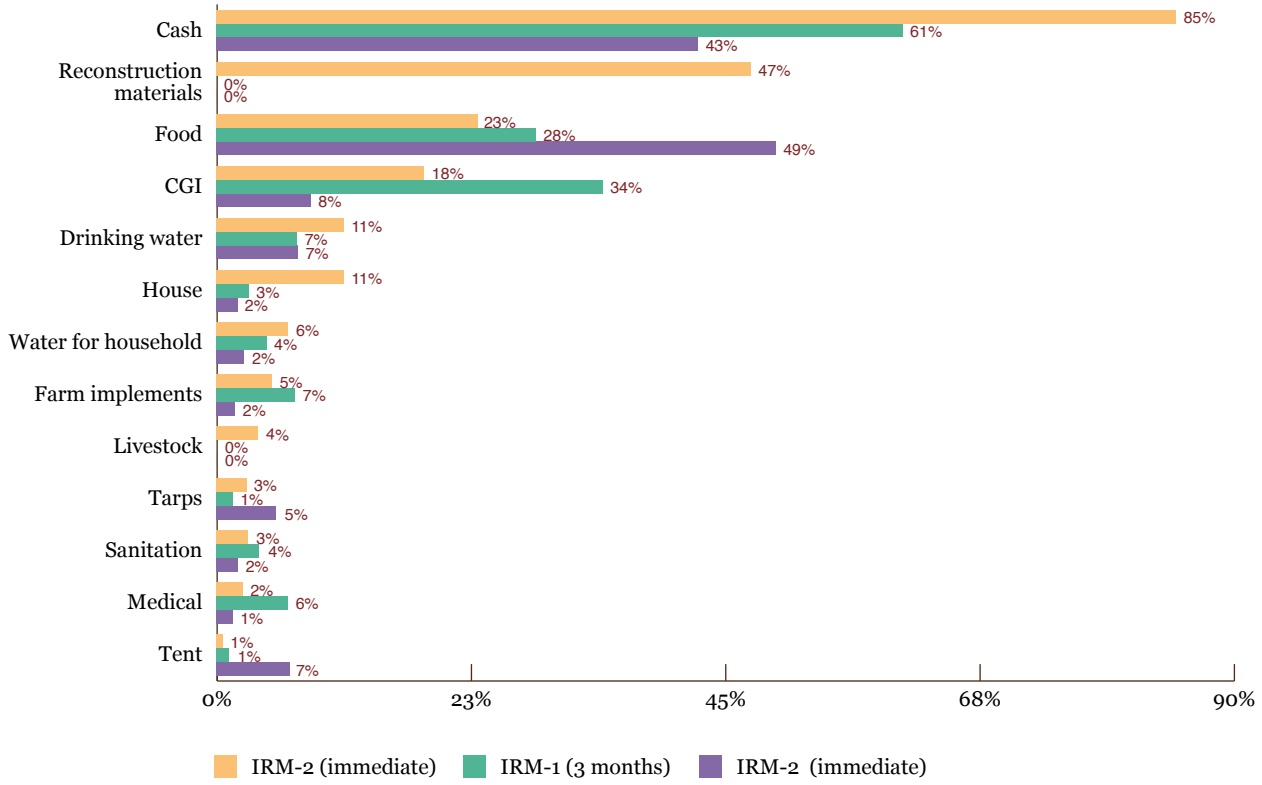
The comparison shows that cash is becoming an ever more important priority for people. Whereas 41% of people identified it as an immediate need in IRM-1, and 48% as a three-month need, 69% now prioritize it. Over one-third identify reconstruction materials as a top-two priority in IRM-2. (This was not included as an option in IRM-1, but it is likely that at that time people were more focused on ensuring their

temporary shelters were durable than thinking about reconstruction, especially given the monsoon was about to start). A much larger share of people in IRM-2 compared to IRM-1 say CGI is a priority immediate need (16% compared to 5%), although this is less than the 26% of IRM-1 respondents who prioritized CGI as a three-month need. This reflects the fact that tarps have been distributed in large shares to households (71% in IRM-1 and 47% in IRM-2, Figure 4.1 above), while CGI distribution has been lower (7% in IRM-1 and 21% in IRM-2).

Food, while still an important priority in IRM-2, has declined in importance since IRM-1. The importance of water, both for drinking and for other household uses, has increased since IRM-1.

Figure 5.2 presents the same analysis, looking only at the severely hit districts. While the proportion of people prioritizing cash, food, and shelter is higher in severely hit districts for all three time periods, the overall pattern is the same.

Figure 5.2: Priority needs (share in top two needs) – severely hit districts (comparison IRM-1 immediate needs, IRM-1 three-month needs, IRM-2 immediate needs)



What are priority needs over the next three months?

The top expected needs in three months' time (which corresponds to June 2016), are the same as the top current needs (Table 5.2). Cash remains the top need, although fewer people prioritize cash as a three-month need than as an immediate need: 51% compared to 69%. Slightly more people prioritize food over the next three months than do as an immediate need, perhaps reflecting potential expected food shortages as the monsoon approaches.

Table 5.2: Priority three-month needs (share in top two needs) – by district impact (IRM-2)

	Severely hit	Crisis hit	Hit with heavy losses	Hit	*All districts*
Cash	62%	45%	44%	27%	***51%***
Food	24%	12%	9%	9%	***17%***
Reconstruction materials	21%	14%	11%	9%	***16%***
CGI	10%	3%	3%	4%	***6%***
Drinking water	9%	3%	1%	2%	***5%***
Farm implements	9%	2%	4%	1%	***5%***
Medical	7%	3%	1%	6%	***5%***
House	7%	0%	0%	0%	***3%***
Water for household	4%	1%	0%	1%	***2%***
Livestock	3%	1%	1%	1%	***2%***
Warm clothes	2%	1%	1%	3%	***2%***
Sanitation	3%	0%	0%	1%	***1%***
Blankets	1%	0%	5%	1%	***1%***
Tent	1%	0%	1%	1%	***1%***
Tarps	1%	1%	0%	0%	***1%***
Fuel	0%	1%	0%	0%	***0%***

Where there is no need for aid

Overall, the share of people who state that they do not need any more aid has fallen slightly since IRM-1 (from 24% to 21%) – Table 5.3. This suggests that some people have realized that the challenges of recovering have been greater than they expected when IRM-1 was conducted in June 2015 and that they now feel they need external support.

In severely hit districts, the share stating they have no need for further aid is very low and there has been virtually no change from IRM-1 (it is approximately 1.5%). Between IRM-1 and IRM-2, there have also been small drops in the proportion of people in the crisis hit and hit with heavy losses districts who say they do not need relief. The greatest fall is seen in the least affected hit district (from 86% to 55%).

As discussed in Chapter 4, and shown in the table, the proportion of people receiving aid has declined between IRM-1 and IRM-2, with the exception of the hit district. Overall, there is a high positive correlation at the household level between not receiving aid and not requiring further aid (63%), which suggests that there has been fairly effective targeting of aid based on needs at the household level.

Table 5.3: No need for relief items and no aid received – by district impact (IRM-1/IRM-2 comparison)

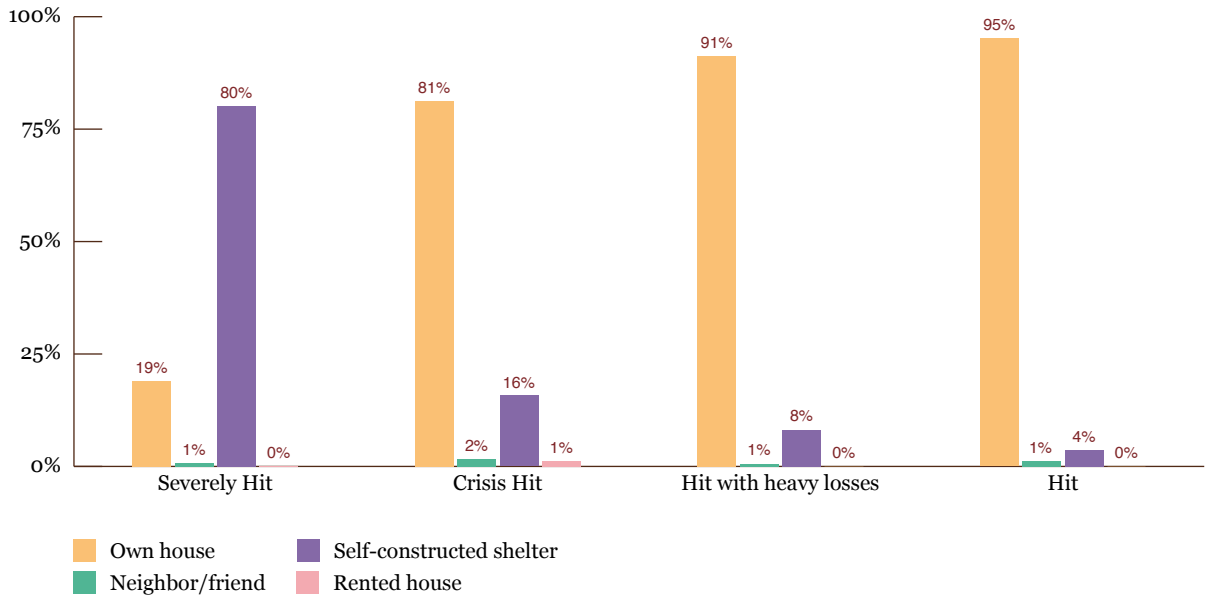
Impact	IRM-1		IRM-2	
	Need nothing	No aid received	Need nothing	No aid received
Severely hit	1%	1%	2%	5%
Crisis hit	40%	39%	38%	59%
Hit with heavy losses	31%	28%	29%	29%
Hit	86%	55%	55%	70%
Total	***24%***	***20%***	***21%***	***30%***

5.2 Shelter needs

Where are people living now?

The fact that shelter needs are high is not surprising given the large amount of people who are still living in temporary shelters. As of March 2016, 80% of people in severely hit districts were living in self-constructed temporary shelters (Figure 5.3). Smaller, but still substantial portions of the population, were in temporary shelters in other districts, especially in crisis hit areas.

Figure 5.3: Where people are living now – by district impact (IRM-2)



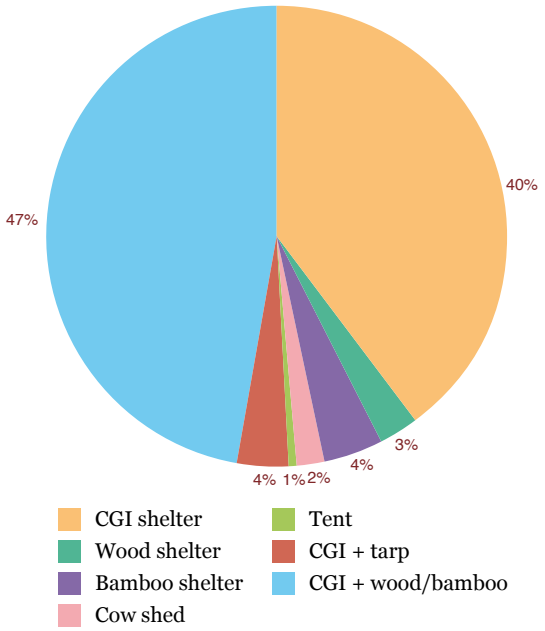
People are most likely to be in temporary shelters in Sindhulpalchowk and Nuwakot (Table 5.4).

Table 5.4: Where people are living now – by district (IRM-2)

	Own house	Neighbor's house	Friend's house	Self-constructed shelter on own land	Self-constructed shelter on other people's land	Self-constructed shelter on public land	Community shelter	Rented accommodation
Severely hit	**19%**	**1%**	**0%**	**74%**	**6%**	**0%**	**0%**	**0%**
Dhading	20%	1%	0%	77%	2%	0%	0%	0%
Gorkha	45%	2%	0%	50%	3%	0%	0%	0%
Nuwakot	9%	0%	0%	84%	5%	2%	0%	0%
Ramechhap	16%	0%	0%	80%	4%	0%	0%	0%
Sindhupalchowk	6%	0%	0%	78%	16%	0%	0%	0%
Crisis hit	**81%**	**2%**	**0%**	**14%**	**2%**	**0%**	**0%**	**1%**
Bhaktapur	79%	2%	0%	13%	2%	1%	0%	3%
Kathmandu	90%	1%	0%	8%	0%	1%	0%	0%
Okhaldhunga	76%	2%	0%	21%	1%	0%	0%	0%

	Own house	Neighbor's house	Friend's house	Self-constructed shelter on own land	Self-constructed shelter on other people's land	Self-constructed shelter on public land	Community shelter	Rented accommodation
Hit with heavy losses	**91%**	**0%**	**0%**	**8%**	**1%**	**0%**	**0%**	**0%**
Lamjung	92%	0%	0%	8%	0%	0%	0%	0%
Solukhumbu	91%	1%	0%	7%	1%	0%	0%	0%
Hit	**95%**	**1%**	**0%**	**3%**	**1%**	**0%**	**0%**	**0%**
Syangja	95%	1%	0%	3%	1%	0%	0%	0%
All districts	***56%***	***1%***	***0%***	***39%***	***3%***	***0%***	***0%***	***1%***

Figure 5.4: Type of temporary shelter – people living in temporary shelter only (IRM-2)



The vast majority of people living in temporary shelters are in shelters made from either CGI alone (40%) or CGI with wood or bamboo (47%) – Figure 5.4. Four percent are in shelters made entirely from bamboo, 3% in wooden shelters, and 2% in cow sheds

Of those still living in temporary shelters, 72% said they were able to make sufficient repairs to their shelter to make it sufficient for the winter. Another 21% said they made repairs but these were not sufficient for the winter. Five percent were unable to make repairs at all (Table 5.5).

In general, those who are living in temporary shelters in less affected areas were the least likely to have been able to make sufficient repairs. Within more affected districts, people in Okhaldhunga, Bhaktapur, Nuwakot, and Sindhulpachowk were the least likely to have been able to make sufficient repairs.

Table 5.5: Were you able to make sufficient repairs to your shelter for the winter? – by district impact and district, those living in temporary shelters (IRM-2)

	Housing was not damaged	Was able to complete-ly fix the house	Was able to repair and made it sufficient for winter	Was able to make repair but not sufficient for winter	Was not able to repair the house at all	Refused
Severely hit	**0%**	**1%**	**75%**	**21%**	**2%**	0%
Dhading	0%	1%	98%	1%	0%	0%
Gorkha	0%	1%	86%	12%	2%	0%
Nuwakot	0%	0%	60%	39%	0%	0%
Ramechhap	0%	1%	77%	21%	1%	0%
Sindhupalchowk	0%	2%	64%	27%	7%	0%
Crisis hit	**1%**	**5%**	**50%**	**22%**	**21%**	**1%**
Bhaktapur	0%	2%	45%	27%	25%	0%
Kathmandu	6%	16%	50%	16%	9%	3%

	Housing was not damaged	Was able to complete-ly fix the house	Was able to repair and made it sufficient for winter	Was able to make repair but not sufficient for winter	Was not able to repair the house at all	Refused
Okhaldhunga	0%	3%	53%	21%	24%	0%
Hit with heavy losses	**0%**	**14%**	**47%**	**23%**	**16%**	**0%**
Lamjung	0%	0%	59%	30%	11%	0%
Solukhumbu	0%	27%	37%	17%	20%	0%
Hit	**0%**	**8%**	**46%**	**0%**	**46%**	**0%**
Syangja	0%	8%	46%	0%	46%	0%
All districts	***0%***	***2%***	***72%***	***21%***	***5%***	***0%***

Immediate need for shelter

The immediate reported need for shelter is highest in Nuwakot, Ramechhap, and Sindhupalchowk (Table 5.6). These three districts saw amongst the highest levels of housing damage from the earthquake.

Sindhupalchowk has received the highest level of shelter aid in both IRM-1 and IRM-2, yet still has among the highest levels of immediate need for shelter aid. This reflects the fact that most shelter aid so far has been for temporary shelter (Table 4.6 above). While 29% of people in the district have received reconstruction materials, 34% say that such materials are an immediate priority need and another 39% say that a house is top priority. Demand for reconstruction materials is particularly high in Nuwakot and Ramechhap, both of which have received almost none of these so far. Demand for reconstruction materials is also high in Okhaldhunga.

Table 5.6: Share of people reporting shelter as priority immediate need – by district impact and district (IRM-2)

District	Shelter as priority immediate need						Housing damage (%)
	Tent	Tarps	CGI	Reconstruction materials	House	*Shelter (total)*	
Severely hit	**4%**	**1%**	**18%**	**47%**	**11%**	***72%***	**94%**
Dhading	1%	0%	20%	39%	6%	*61%*	97%
Gorkha	2%	0%	15%	35%	11%	*58%*	89%
Nuwakot	1%	0%	21%	69%	0%	*84%*	97%
Ramechhap	14%	2%	18%	59%	1%	*79%*	90%
Sindhupalchowk	1%	1%	19%	34%	39%	*79%*	97%
Crisis hit	**1%**	**1%**	**9%**	**24%**	**1%**	***33%***	**49%**
Bhaktapur	1%	1%	5%	16%	3%	*24%*	60%
Kathmandu	0%	0%	3%	17%	0%	*19%*	26%
Okhaldhunga	3%	2%	20%	40%	0%	*57%*	60%
Hit with heavy losses	**3%**	**0%**	**22%**	**22%**	**0%**	***43%***	**44%**
Lamjung	1%	0%	11%	23%	0%	*33%*	35%
Solukhumbu	6%	0%	33%	21%	0%	*54%*	52%
Hit	**3%**	**2%**	**9%**	**23%**	**0%**	***32%***	**21%**
Syangja	3%	2%	9%	23%	0%	*32%*	21%
All districts	***3%***	***1%***	***16%***	***34%***	***5%***	***53%***	***66%***

Three-month needs for shelter

Across districts, people are more likely to report shelter as an immediate need than as a three-month need (Table 5.7). This suggests that households hope to have their housing situation resolved sooner rather than later.

Table 5.7: Share of people reporting shelter as priority three-month need – by district impact and district (IRM-2)

	Tent	Tents	CGI	Reconstruction materials	House	*Shelter (total)*
Severely hit	**1%**	**1%**	**10%**	**21%**	**7%**	***38%***
Dhading	1%	0%	9%	25%	5%	*38%*
Gorkha	2%	0%	8%	14%	8%	*32%*
Nuwakot	1%	0%	17%	13%	0%	*28%*
Ramechhap	3%	2%	7%	39%	0%	*49%*
Sindhupalchowk	0%	1%	9%	15%	22%	*44%*
Crisis hit	**0%**	**1%**	**3%**	**14%**	**0%**	***18%***
Bhaktapur	0%	1%	1%	12%	1%	*15%*
Kathmandu	0%	0%	1%	13%	0%	*14%*
Okhaldhunga	1%	2%	5%	17%	0%	*25%*
Hit with heavy losses	**1%**	**0%**	**3%**	**11%**	**0%**	***14%***
Lamjung	1%	0%	1%	10%	0%	*11%*
Solukhumbu	1%	0%	4%	12%	0%	*17%*
Hit	**1%**	**2%**	**4%**	**9%**	**0%**	***13%***
Syangja	1%	2%	4%	9%	0%	*13%*
All districts	***1%***	***1%***	***6%***	***16%***	***3%***	***26%***

Shelter needs by housing damage

Shelter aid overall, and in particular reconstruction materials, are the most in demand among those whose houses have been completely damaged (Table 5.8). However, demand for shelter, including reconstruction materials and CGI, is also very high among those whose houses were badly damaged. Given that government support for housing reconstruction may only go to those whose houses were completely damaged, this suggests that the needs for this group may not be met.

Table 5.8: Share of people reporting shelter as priority immediate need – by level of housing damage (IRM-2)

Housing damage	Tents	Tents	CGI	Reconstruction materials	*Shelter aid (total)*
Completely damaged	1%	3%	20%	46%	*72%*
Badly damaged	1%	2%	21%	41%	*62%*
Habitable	0%	2%	9%	19%	*28%*
Undamaged	0%	0%	1%	3%	*3%*
Total	***1%***	***2%***	***16%***	***34%***	***53%***

Shelter needs by where people are currently living

Reconstruction materials for permanent homes are in the greatest demand among those who continue to live in self-constructed shelters, either on their own land or on land owned by others or the public (Table 5.9).[38] The share of people prioritizing reconstruction materials who live in rented houses or their own house is lower but still substantial. This indicates that many people are living in houses that are still damaged and need reconstruction, with major implications for safety.

[38] These populations comprise 39% and 4% of the sample, respectively. Fifty-six percent of the population lives in their own house.

Table 5.9: Share of people reporting shelter as priority immediate need – by current shelter (IRM-2)

Where living now	Tents	Tarps	CGI	Reconstruction materials	*Shelter aid (total)*
Own house	1%	1%	13%	23%	*36%*
Friend/neighbor	3%	3%	27%	35%	*73%*
Self-constructed shelter (own land)	1%	3%	18%	50%	*74%*
Self-constructed shelter (other's land)	1%	3%	22%	45%	*76%*
Rented house	0%	0%	7%	20%	*40%*
Total	***1%***	***2%***	***16%***	***34%***	***53%***

Shelter needs by population group

Rural/urban. All types of shelter aid are more in demand in rural areas, with the greatest shelter need in these areas being reconstruction materials followed by CGI (Table 5.10)

Table 5.10: Share of people reporting shelter as priority immediate need – by urban/rural (IRM-2)

	Tents	Tarps	CGI	Reconstruction materials	*Shelter aid (total)*
Urban	0%	1%	4%	17%	*21%*
Rural	1%	2%	18%	37%	*58%*
Total	***1%***	***2%***	***16%***	***34%***	***53%***

Caste. There are not substantial differences in the proportion of people of different caste groups prioritizing shelter assistance. Fifty-four percent of Janajatis rank shelter as one of their two top immediate needs while 51% of both low caste and high caste people say the same.

Disability. Overall, those with disabilities have a higher need for shelter aid (55% compared to 52%, for those without) – Table 5.11. Those with disabilities are more likely to say they need reconstruction materials but less likely to say they need tents, tarps, or CGI. This shows the greater need for many within this group to get into more robust housing.

Table 5.11: Share of people reporting shelter as priority immediate need – by disability (IRM-2)

	Tents	Tarps	CGI	Reconstruction materials	*Shelter aid (total)*
Without disability	1%	2%	17%	33%	*52%*
With disability	0%	2%	14%	37%	*55%*
Total	***1%***	***2%***	***16%***	***34%***	***53%***

Gender. Males are slightly more likely to list shelter as a top immediate need (54% against 51%).

5.3 Food needs

The largest negative livelihoods impact of the Nepal earthquake has been on farming (Chapter 2). As such, we would expect there to have been a negative impact on the food supply, especially because many are involved in subsistence farming. Equally, with other sources of income, there is likely to have been an adverse impact on purchasing power. This would be reflected in the need to borrow for food, particularly in the severely hit districts.

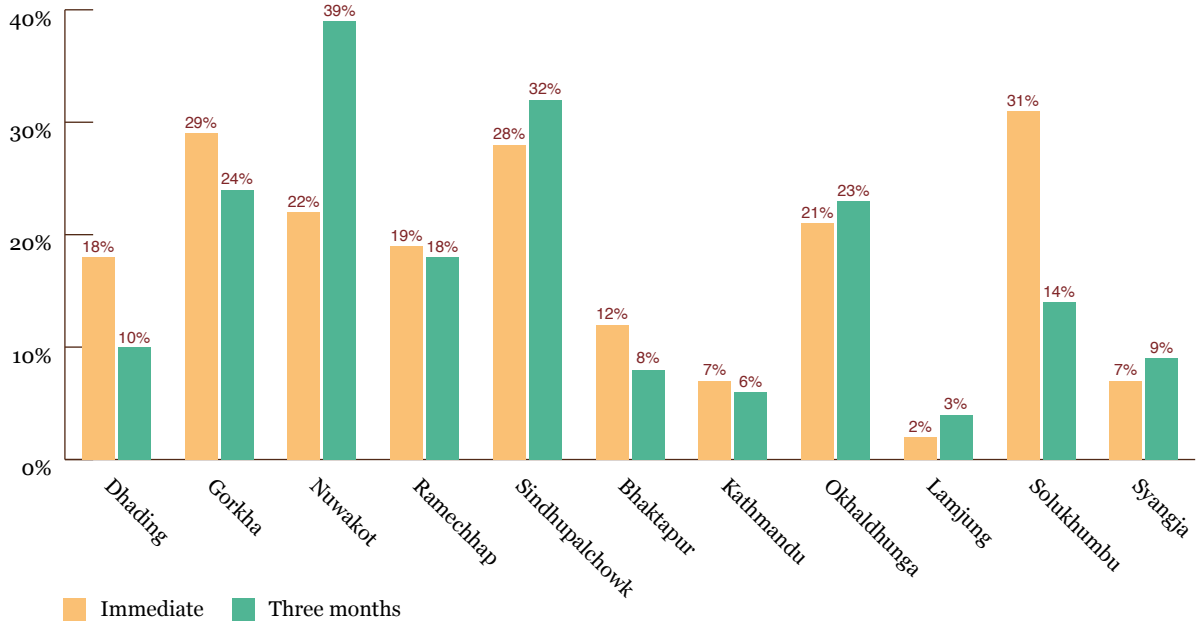
While food has declined in importance as a priority need since IRM-1, large amounts of people still say it is one of their top two priority immediate needs: 23% in severely hit districts, 13% in crisis hit districts, 17% in hit with heavy losses districts, and 7% in the hit district.

Where is food needed?

Current food demand is the highest in the severely hit districts. The only districts with comparable levels of immediate food needs among the non-severely hit districts are Okhaldhunga, where food aid has fallen to very low levels, and Solukhumbu, which is the poorest of the districts studied. The latter district has the highest share reporting food as an immediate need, followed by Gorkha and Sindhupalchowk, the worst affected district in terms of damage to homes and livelihoods. Needs in three months are almost always lower than articulated current needs, suggesting that households consider food an urgent item. The most notable exceptions are Nuwakot and Sindhupalchowk, the two districts that have received the highest levels of aid in IRM-1 and IRM-2.

Current and future food needs are the lowest in Lamjung, Kathmandu, and Syangja. These three districts received the lowest volumes of food aid in IRM-1 and IRM-2, which suggests that the low volumes of food aid received in these districts are consistent with low requirements.

Figure 5.5: Share of people reporting food as among their top two needs immediately and in three months – by district (IRM-2)



What type of food is needed?

Stapes (rice and wheat) are the greatest food needs, both now and in three months (Tables 5.12 and 5.13). The requirements for condiments is the second largest immediate food need (5%) followed by readymade

food (2%). The requirement for all types of food is the highest in the severely hit districts followed by the crisis hit districts, both now and in three months.

Table 5.12: Share of people reporting food as priority immediate need – by district impact (IRM-2)

	Rice/wheat	Readymade food	Sugar, salt, etc.	Lentils	Vegetables	Meat	*Food (total)*
Severely hit	15%	2%	7%	0%	1%	1%	*23%*
Crisis hit	11%	1%	4%	1%	1%	0%	*13%*
Hit with heavy losses	10%	5%	6%	0%	0%	0%	*17%*
Hit	5%	1%	0%	0%	0%	0%	*7%*
All districts	***12%***	***2%***	***5%***	***0%***	***1%***	***0%***	***18%***

Table 5.13: Share of people reporting food as priority three-month need – by district impact (IRM-2)

	Rice/wheat	Readymade food	Sugar, salt, etc.	Lentils	Vegetables	Meat	*Food (total)*
Severely hit	17%	3%	5%	1%	1%	1%	*24%*
Crisis hit	9%	1%	3%	1%	1%	0%	*12%*
Hit with heavy losses	5%	1%	4%	0%	0%	0%	*9%*
Hit	8%	1%	0%	1%	0%	0%	*9%*
All districts	***12%***	***2%***	***4%***	***1%***	***1%***	***0%***	***17%***

Food aid, borrowing for food, and food consumption

The number of people receiving food aid has fallen across almost all districts (see Chapter 4.2 above). Wherever food aid has fallen, a larger share of people reports that consumption has slightly decreased since the 2015 monsoon compared to other districts (Table 5.14). This suggests that food aid is affecting overall consumption levels, despite borrowing for food as a means to cope.

The share of people reporting that food consumption has decreased a lot is fairly low (7%), although it is higher in Dhading, Sindhupalchowk, Okhaldhunga, Gorkha, and Ramechhap. In each of these districts, with the exception of Sindhupalchowk, there are also relatively larger decreases seen in shares of food aid compared to other districts. The fact that Sindhupalchowk reports such large decreases in food consumption, despite receiving relatively high levels of food aid, is probably a result of the level of earthquake impacts in that district, which were higher than elsewhere.

As discussed in Chapter 4, there is a negative relationship between level of food aid and level of borrowing (-23%) in the five poorest five districts (Dhading, Nuwakot, Ramechhap, Okhaldhunga, and Solukhumbu). This suggests that food aid reduces the need to borrow.

There is also a very high negative correlation between the proportion of borrowers who are taking loans for food and the shares within the district who cite food as a top current need in the poorest districts (- 86%). This suggests that where there has been less borrowing for food as a means to cope, there is also a greater immediate need for food.

In order to verify the net effect of food aid on the immediate need for food, we check the direct correlation between food aid provision at the district level and those who identify food as an immediate priority. In poorer districts there is a negative correlation (- 15%) suggesting that higher food aid is leading to a lower articulated immediate need for food. However, across the whole sample, there is a positive correlation (60%). This could mean that food is regarded as a consistently important need, even at higher levels of food aid provision, given that the agricultural sector remains badly affected.

In almost all districts, the share that has cited food as a top current need is larger than the share that has cited food as a top need in three months' time, suggesting that levels of food insecurity are fairly high. The two exceptions are Sindhupalchowk and Nuwakot, the districts have received the most food aid coverage in IRM-1 and IRM-2. Once again, this suggests a positive influence of food aid on household food security.

Table 5.14: Food aid, borrowing, food consumption, and current need for food – by district impact and district (IRM-1 and IRM-2)

	Food aid			Borrowing for food (IRM-2)	Change in food consumption since monsoon (June 2015) (IRM-2)					Immediate need now (IRM-2)
	IRM-1	IRM-2	Difference (IRM-1 – IRM-2)		Increased a lot	Increased slightly	No change	Decreased a lot	Decreased slightly	
Severely hit	**93%**	**65%**	**28%**	**35%**	**3%**	**26%**	**60%**	**9%**	**2%**	**23%**
Dhading	93%	38%	55%	44%	1%	10%	73%	15%	1%	18%
Gorkha	89%	50%	38%	18%	6%	17%	70%	7%	0%	29%
Nuwakot	96%	87%	10%	33%	2%	44%	53%	1%	0%	22%
Ramechhap	89%	67%	22%	49%	7%	47%	41%	6%	0%	19%
Sindhupalchowk	100%	83%	17%	26%	1%	14%	62%	14%	8%	28%
Crisis hit	**26%**	**7%**	**18%**	**40%**	**9%**	**26%**	**61%**	**5%**	**0%**	**13%**
Bhaktapur	34%	11%	23%	18%	7%	24%	64%	5%	0%	12%
Kathmandu	9%	9%	0%	15%	11%	17%	68%	3%	0%	7%
Okhaldhunga	34%	2%	32%	54%	8%	35%	50%	7%	0%	21%
Hit with heavy losses	**8%**	**24%**	**-16%**	**21%**	**3%**	**25%**	**69%**	**3%**	**0%**	**17%**
Lamjung	6%	15%	-9%	27%	3%	22%	69%	4%	0%	2%
Solukhumbu	10%	33%	-23%	16%	3%	28%	68%	1%	0%	31%
Hit	**3%**	**4%**	**-2%**	**37%**	**1%**	**39%**	**58%**	**3%**	**0%**	**7%**
Syangja	3%	4%	-2%	37%	1%	39%	58%	3%	0%	7%
All districts	***53%***	***37%***	***17%***	***35%***	***5%***	***27%***	***60%***	***7%***	***1%***	***18%***

How do food aid, borrowing, consumption, and needs differ by levels of food insecurity?

In order to study food security in greater depth, 250 respondents were added to the 350 respondents in the main sample in four districts: Sindhupalchowk, Ramechhap, Gorkha, and Okhaldhunga. This resulted in a sample of 2,400 respondents for an analysis of food security analysis. This allows for a breakdown of responses by places with different levels of food insecurity as identified by the Nepal Food Security Monitoring System (NeKSAP) – Table 5.15.[39]

Table 5.15: Food security sample (IRM-2)

Districts	Minimally food insecure	Moderately food insecure	Highly food insecure	Severely food insecure	*Total*
Okhaldhunga	200	200	200	0	*600*
Ramechhap	96	252	252	0	*600*
Sindhupalchowk	0	200	202	200	*602*
Gorkha	210	195	195	0	*600*
Total	***506***	***847***	***849***	***200***	***2,402***

[39] See Chapter 1 and Annex A for a further discussion of the methodology used.

Food aid has had a much larger reach at successively higher levels of food insecurity (Table 5.16). In particular, severely food insecure areas have had near full coverage of food aid (96%). Volumes of food aid are also larger at successively higher levels of food insecurity and the highest volumes are in the severely insecure category (103 days of stock for the household), double that in the highly insecure category (52 days).

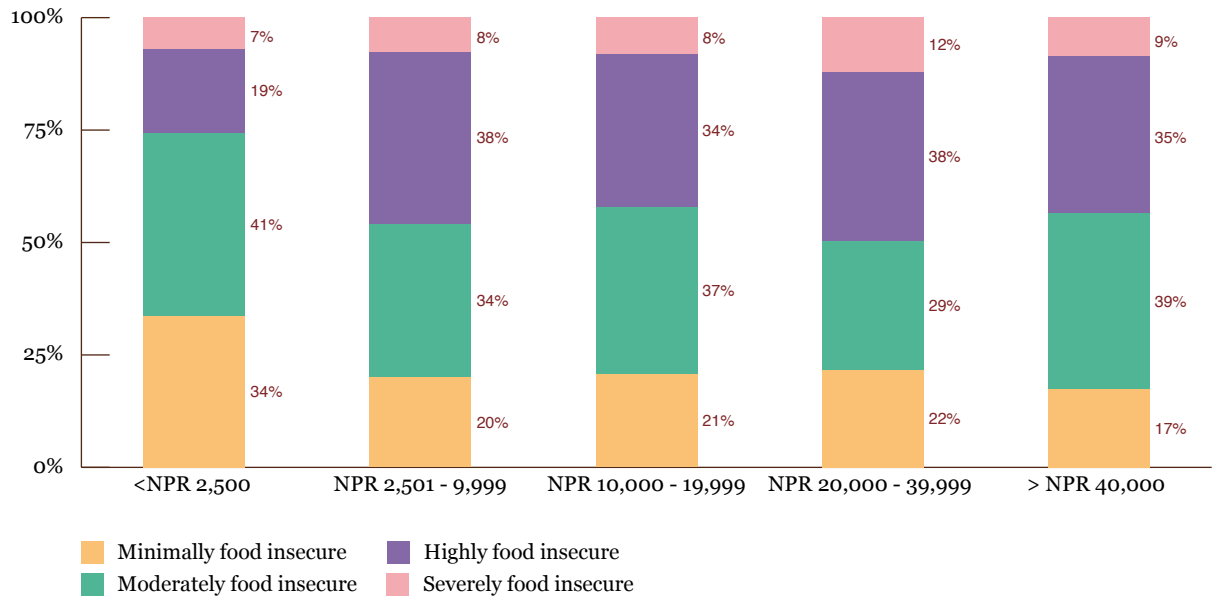
Table 5.16: Food aid, borrowing, consumption, and need for food – by level of food insecurity (IRM-2)

NeKSAP food security classification	Food aid		Change in food consumption					Borrowed for food	Food as need	
	Share receiving food aid	Quantity of food aid (days of food per household)	Increased a lot	Increased slightly	Same as before	Decreased a lot	Decreased slightly		Immediate	Three-month
Minimally food insecure	28%	22	11%	23%	60%	6%	0%	18%	21%	21%
Moderately food insecure	55%	41	4%	27%	56%	9%	3%	19%	19%	24%
Highly food insecure	62%	52	4%	36%	52%	8%	1%	28%	22%	28%
Severely food insecure	96%	103	0%	17%	61%	15%	8%	14%	33%	42%
Total	***55%***	***52***	***5%***	***28%***	***56%***	***8%***	***2%***	***21%***	***22%***	***26%***

Despite these levels of food aid, the severely insecure category has the largest share reporting that food consumption has decreased a lot (15%) and slightly (8%) since the monsoon. This suggests that while food aid has been targeted effectively based on food insecurity, the more insecure regions remain at the greatest likelihood of a fall in consumption levels.

This is also reflected in the fact that food as a share of the top two needs is the highest in severely insecure regions now (33%) and in three months' time (42%), despite these places receiving the most food aid. This suggests persistent food insecurity (as would be expected in these places). In short, the data suggest that food aid is being well targeted but is insufficient to help those in the most food insecure areas.

Figure 5.6: Food insecurity – by income band (IRM-2)



It is encouraging to note, however, that borrowing for food is the lowest in the severely insecure category, which again appears to be linked to much higher levels of food aid in these areas (in terms of both the share of the population receiving food aid and the quantities they receive).

The low borrowing does not appear to be linked to lower income levels. As seen in Figure 5.6, poorer households are as likely to be classified as severely food insecure as those households with incomes between NPR 10,000 and NPR 19,999.

Food insecurity and population groups

Figure 5.7: Food insecurity – by urban/rural (IRM-2)

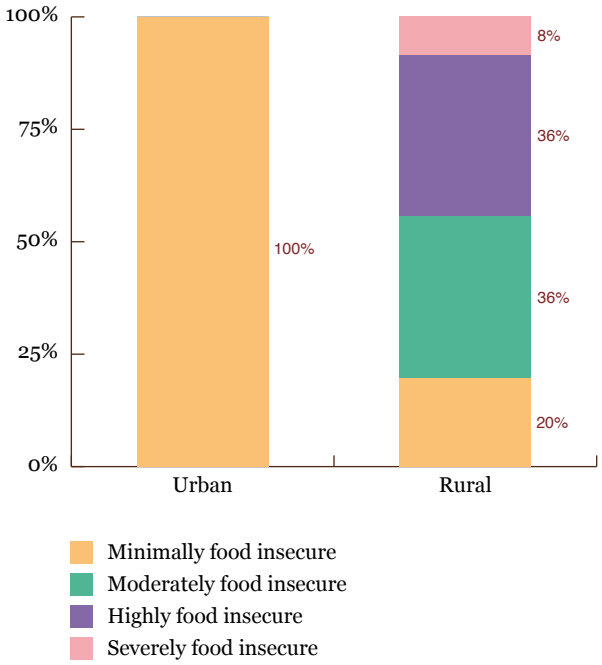
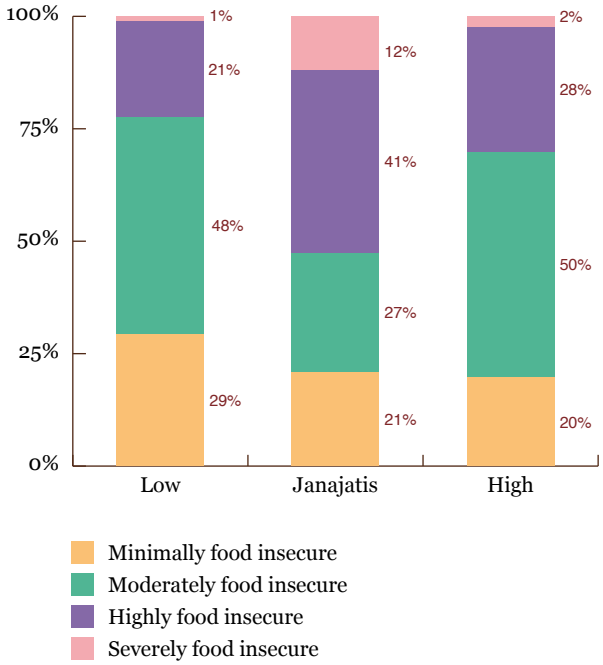


Figure 5.8: Food insecurity – by caste (IRM-2)



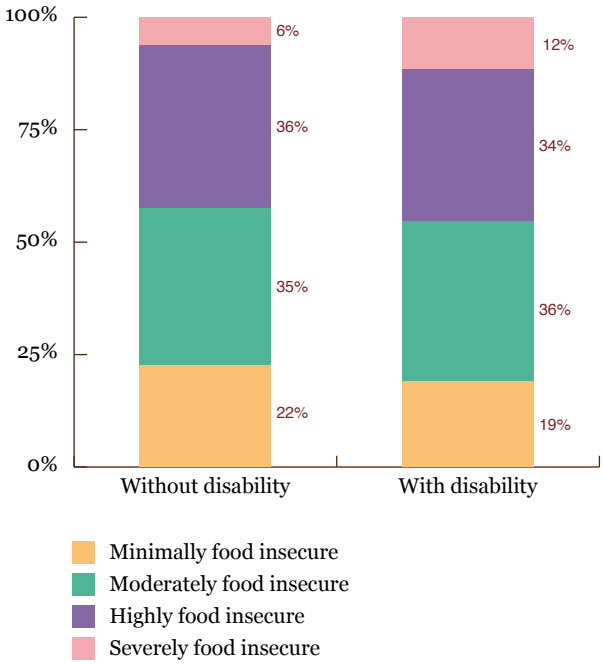
Rural/urban. Urban areas fall only within the minimally food insecure category whereas rural areas are distributed across the higher levels of food insecurity (Figure 5.7).

Caste. Janajatis are more likely to live in food insecure areas (highly or severely), whereas high and low castes are more likely to live in moderately food insecure areas (Figure 5.8).

Gender. Unsurprisingly, given food insecurity is determined by areas rather than person, there are no differences in the gender split across food insecurity levels.

Disability. Those with disabilities are twice as likely to live in severely food insecure areas (12% against 6%) – Figure 5.9.

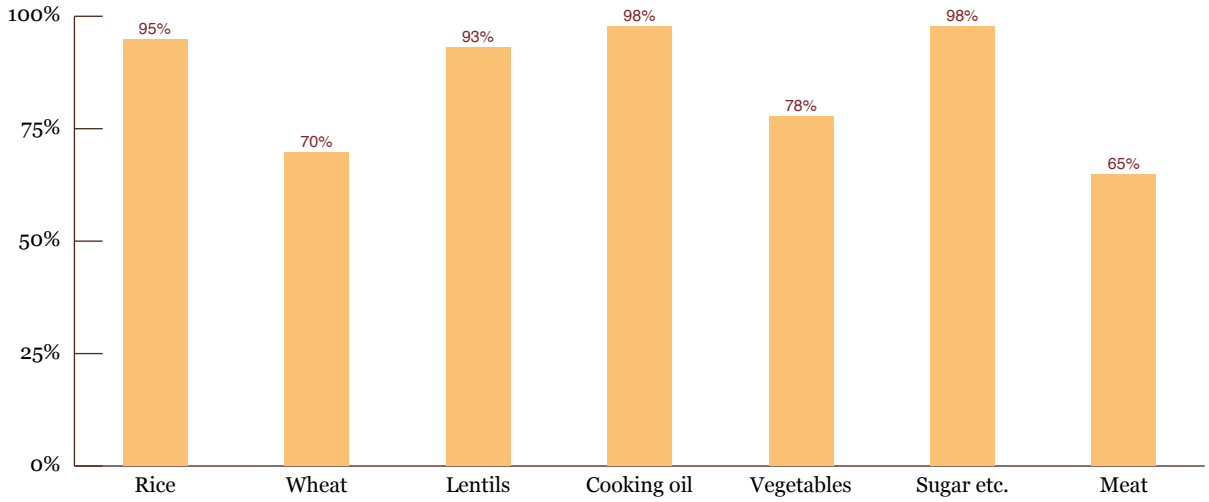
Figure 5.9: Food insecurity – by disabled/ non-disabled (IRM-2)



Did the fuel crisis impact the price of food?

The fuel crisis increased the price of all types of food (Figure 5.10).

Figure 5.10: Did the fuel crisis affect the prices you pay for food types? (IRM-2)



In general, those in the most food insecure areas were the least likely to say that the fuel crisis had raised prices for most types of food, presumably because people in these places either do not eat these types of food or because they receive it for free in the form of food aid (Figure 5.11).

Figure 5.11: Did the fuel crisis affect the prices you pay for food types? – by food security (IRM-2)

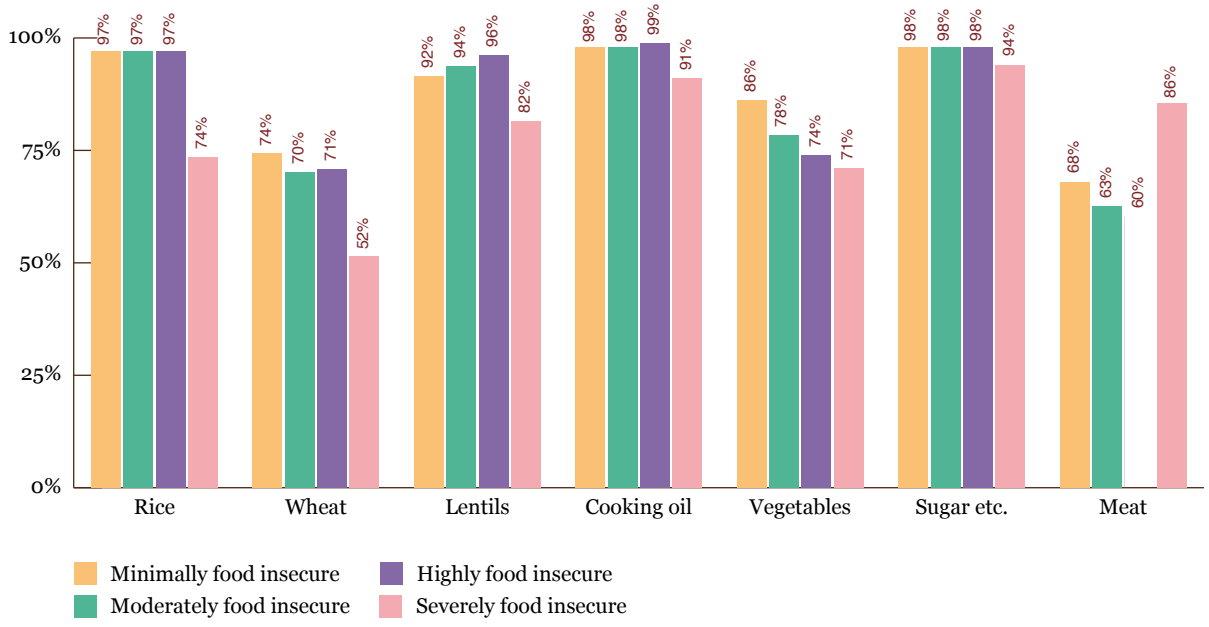


Photo: Alok Pokharel

5.4 Need for other relief

Cash, by far, is the top prioritized need, both in the immediate term (69% overall and 85% in severely hit districts, Table 5.1) and in three months' (51% and 62% overall, Table 5.2). Cash is consistently prioritized in all the severely hit districts as well as in Okhaldhunga and Solukhumbu (Table 5.17).

Among other relief items, besides food and shelter, drinking water features as the most important, with 7% citing it as an immediate need (11% in severely hit districts) and water for the household is cited by 4% (6% in severely hit districts). The districts with the highest immediate requirement for drinking water (over 10%) are Nuwakot, Ramechhap, and Sindhupalchowk. The need for water for household use is also the highest in Sindhupalchowk (14%).

The immediate need for farm implements is higher in Nuwakot (10%) and for blankets in Solukhumbu (11%); Gorkha and Nuwakot have a higher demand for sanitation (7% and 6%, respectively); Nuwakot, Ramechhap, and Lamjung have a higher demand for livestock (5% in the first two districts and 4% in the latter).

Table 5.17: Priority immediate needs, besides food and shelter (share in top two needs) – by district impact and district (IRM-2)

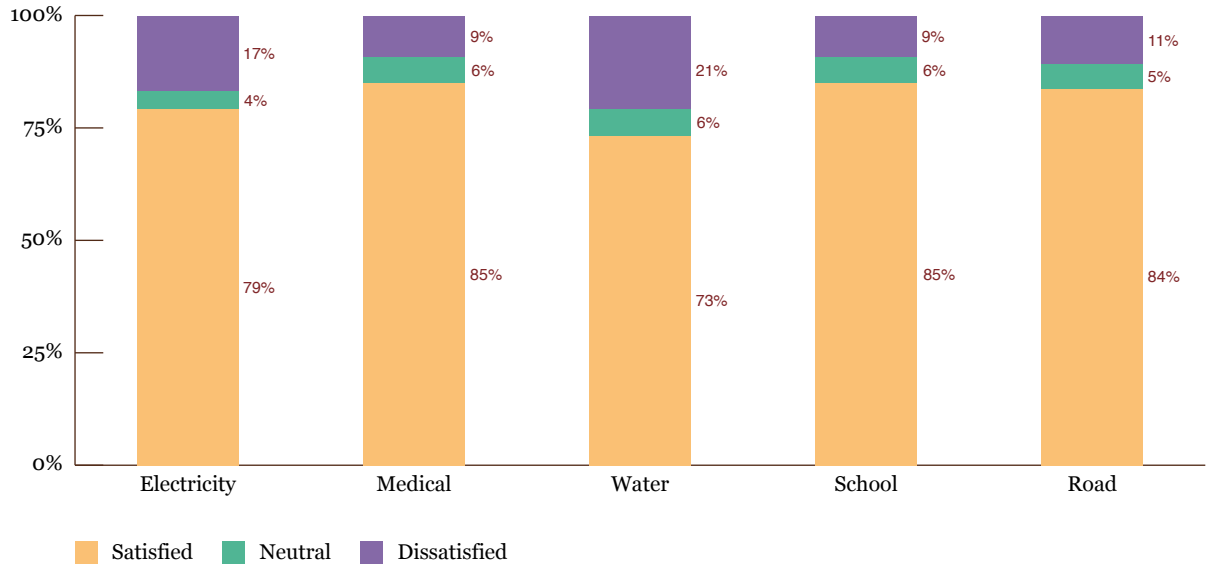
Districts	Drinking water	Water for household	Sanitation	Medical aid	Blankets	Warm clothes	Fuel	Farm implements	Livestock	Cash
Severely hit	**11%**	**6%**	**3%**	**2%**	**2%**	**1%**	**0%**	**5%**	**4%**	**85%**
Dhading	6%	3%	0%	1%	0%	0%	0%	1%	2%	87%
Gorkha	10%	7%	7%	3%	3%	1%	0%	3%	3%	86%
Nuwakot	14%	5%	6%	4%	3%	0%	0%	10%	5%	85%
Ramechhap	16%	2%	0%	2%	1%	2%	0%	5%	5%	90%
Sindhupalchowk	11%	14%	1%	2%	1%	1%	0%	4%	3%	76%
Crisis hit	**5%**	**2%**	**1%**	**2%**	**1%**	**2%**	**1%**	**2%**	**2%**	**54%**
Bhaktapur	4%	3%	0%	2%	2%	4%	5%	2%	2%	51%
Kathmandu	2%	1%	1%	1%	0%	0%	0%	1%	1%	28%
Okhaldhunga	8%	2%	0%	2%	1%	2%	0%	2%	3%	83%
Hit with heavy losses	**2%**	**1%**	**0%**	**1%**	**6%**	**1%**	**0%**	**2%**	**3%**	**65%**
Lamjung	1%	1%	0%	1%	2%	0%	0%	1%	4%	52%
Solukhumbu	4%	2%	1%	1%	11%	2%	0%	3%	1%	78%
Hit	**4%**	**1%**	**1%**	**3%**	**2%**	**1%**	**0%**	**1%**	**1%**	**40%**
Syangja	4%	1%	1%	3%	2%	1%	0%	1%	1%	40%
All districts	***7%***	***4%***	***2%***	***2%***	***2%***	***1%***	***0%***	***3%***	***3%***	***69%***

5.5 Services

Beyond household needs, the earthquakes also impacted public services. Among various services, schooling suffered the most significant setbacks from the earthquake. One-third of respondents in IRM-1 stated that access to schools worsened a lot because of the earthquake and 36% stated that it somewhat worsened.[40] Other public services were relatively less affected but respondents still noted negative impacts. While 45% of the IRM-1 sample responded that electricity had worsened (either a lot or somewhat), a significant number of people reported that other services also suffered similar setbacks: 35% for drinking water, 31% for motorable roads, and 28% for medical facilities.

In addition to asking how much the earthquake affected these services, IRM-2 respondents were also asked about their satisfaction level with electricity, drinking water, medical facilities, schools, and roads in both waves of the survey. Figure 5.12 shows level of dissatisfaction expressed by respondents in IRM-2.[41] Respondents in IRM-2 were most satisfied with schools (85%). The greatest level of dissatisfaction was with two services: drinking water (21% dissatisfied) and electricity (17%). Only 11% expressed dissatisfaction with motorable roads and 9% with medical facilities.

Figure 5.12: Satisfaction with public services (IRM-2)



How has satisfaction with services changed?

Overall, 1,558 individuals across the 11 districts were surveyed in both IRM-1 and IRM-2. Figure 5.13 compares responses across the two surveys using the panel data.[41]

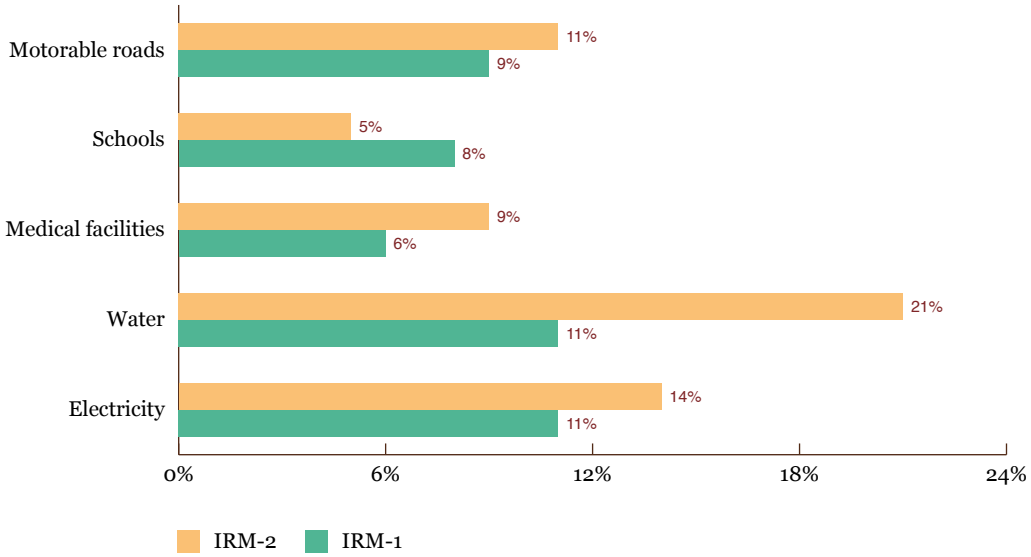
Levels of dissatisfaction have increased for all services, except for schools. The greatest rise in dissatisfaction is for water with 21% dissatisfied compared to 11% in IRM-1. The dissatisfaction level has increased by three percentage points for electricity, three percentage points for medical facilities, and two percentage points for motorable roads. This suggests growing frustration as these services have not fully recovered or improved. In contrast, IRM-2 respondents who were also interviewed in IRM-1 were more likely to express satisfaction with schools than before.

[40] The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 17.

[41] The figure combines very satisfied and somewhat satisfied as satisfied, and very dissatisfied and somewhat dissatisfied as dissatisfied.

[42] Note that the panel data is based on the sub-set of surveyed respondents (1,558), who were interviewed in both the waves, while the satisfaction levels reported in Figure 5.12 are based on the IRM-2 sample of 3,853 individuals.

Figure 5.13: Dissatisfaction with services – individual panel data (IRM-1/IRM-2 comparison)



How does earthquake impact affect satisfaction with services?

Table 5.18 shows levels of dissatisfaction with each service by district. A few points stand out.

First, levels of dissatisfaction with most services are highest in Kathmandu and Bhaktapur. These districts were less affected by the earthquake than many others. However, they are both predominantly urban. As Figure 5.14 shows, dissatisfaction is much higher in urban areas than rural ones, in part because expectations are higher, in part because there are greater needs for things like electricity in these areas. The fact that dissatisfaction is so high with medical facilities and roads in Kathmandu shows that earthquake impacts are but one determinant of satisfaction.

Second, in general dissatisfaction is higher in more severely affected districts. Besides Kathmandu and Bhaktapur, dissatisfaction with electricity, water, medical facilities, schools, and roads is highest in the severely hit districts. Electricity and drinking water in severely hit and crisis hit districts are the two public services that need the most attention.

Third, districts vary by which service people are most dissatisfied with. In Ramechhap, for example, dissatisfaction with drinking water, medical facilities, and roads is high, but is very low for electricity. In contrast, dissatisfaction with electricity is relatively high in Gorkha and Okhaldhunga. In Sindhupalchowk, drinking water and roads are the services people are more dissatisfied with.

Table 5.18: Dissatisfaction with public services – by district impact and district (IRM-2)

	Electricity	Drinking water	Medical facilities	Schools	Motorable roads
Severely hit	**7%**	**22%**	**11%**	**6%**	**13%**
Dhading	8%	19%	13%	4%	10%
Gorkha	18%	27%	10%	9%	12%
Nuwakot	1%	4%	0%	1%	4%
Ramechhap	1%	37%	23%	12%	25%
Sindhupalchowk	5%	20%	6%	3%	15%
Crisis hit	**51%**	**36%**	**9%**	**7%**	**11%**
Bhaktapur	59%	39%	1%	0%	3%
Kathmandu	64%	49%	21%	18%	22%
Okhaldhunga	19%	19%	5%	2%	8%
Hit with heavy losses	**1%**	**2%**	**5%**	**5%**	**7%**

	Electricity	Drinking water	Medical facilities	Schools	Motorable roads
Lamjung	1%	3%	7%	8%	10%
Solukhumbu	1%	1%	3%	1%	1%
Hit	**0%**	**11%**	**8%**	**3%**	**3%**
Syangja	0%	11%	8%	3%	3%

Figure 5.14: Dissatisfaction with public services – by urban/rural (IRM-2)

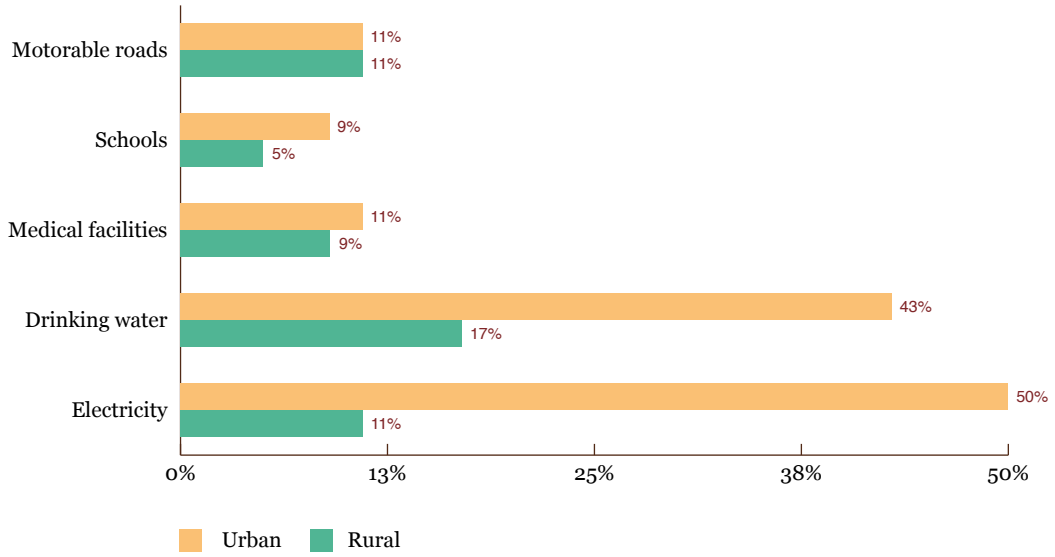


Photo: Ashray Pande

How does satisfaction with services differ by population groups?

Table 5.19 shows rates of dissatisfaction by caste, gender, disability, and income level.

Gender. There are almost no differences in levels of dissatisfaction with services between men and women.

Disability. Those without disabilities are more dissatisfied with electricity, medical facilities, schools, and motorable roads than those with disabilities.

Caste. High castes and Janajatis are more dissatisfied with electricity (by 7% or more compared to low castes) and drinking water (by 2% or more compared to low castes).

Income. The highest degree of variation is observed across income bands. People with higher income are more dissatisfied with public services than those with lower income.

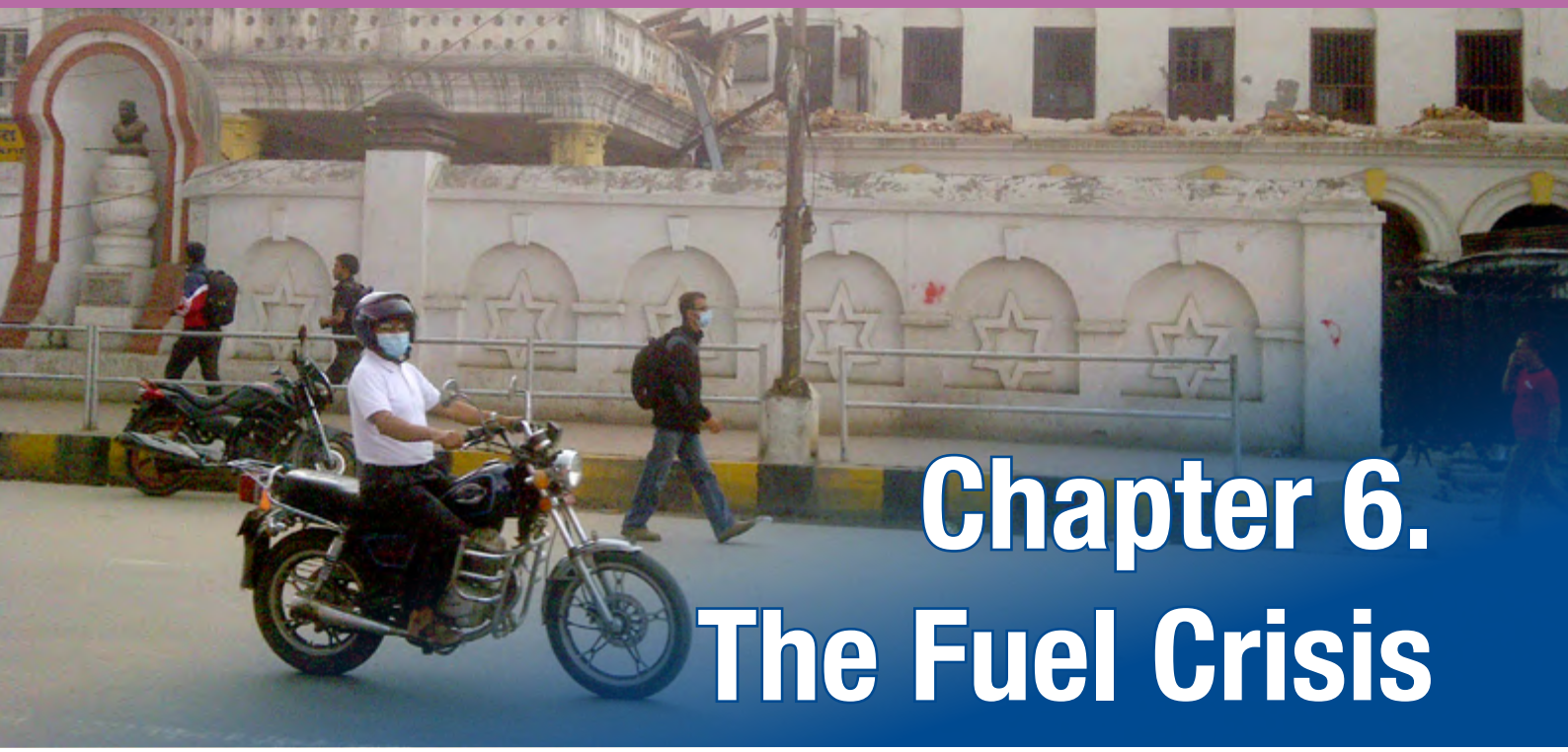
Table 5.19: Dissatisfaction with public services – by caste, gender, disability, and income level (IRM-2)

		Electricity	Drinking water	Medical	Schoosl	Motorable roads
Gender	Female	16%	20%	9%	6%	10%
	Male	18%	22%	9%	5%	11%
Disability	No disability	17%	21%	9%	6%	11%
	Disability	13%	22%	6%	2%	6%
Caste	High caste	18%	19%	8%	5%	9%
	Janajati	17%	22%	10%	6%	12%
	Low caste	10%	17%	10%	6%	10%
Income level	Low	10%	17%	8%	5%	10%
	Medium	17%	21%	9%	6%	11%
	High	30%	28%	12%	8%	14%

Education. From the above, it seems like dissatisfaction with public services is a function of individual's socio-economic situation. The results suggest that people born in high caste and higher income households are more expressive about dissatisfaction with public services. This implies that people's education level should also be correlated with their level of dissatisfaction with public services. Table 5.20 confirms this. People with higher education more readily express dissatisfaction with public services for all services.

Table 5.20: Dissatisfaction with public services – by education level (IRM-2)

		Electricity	Drinking water	Medical	Schools	Motorable roads
Education of respondents	Illiterate	10%	18%	9%	5%	10%
	Literate	16%	19%	10%	6%	12%
	Primary level	15%	21%	10%	6%	11%
	Lower secondary level	19%	20%	8%	5%	11%
	Secondary level	25%	24%	7%	5%	10%
	SLC Pass	17%	33%	33%		17%
	+2/Intermediate pass	31%	28%	10%	9%	12%
	Bachelor pass	37%	32%	12%	7%	13%
	Master & above	55%	45%	15%	10%	25%



Chapter 6. The Fuel Crisis

Photo: Kushal Puri

This chapter examines how the fuel crisis, which occurred in the midst of on-going earthquake relief efforts, affected different regions and population groups. Following the passage of a controversial and contested Constitution, protests occurred across some areas of Nepal, although largely not in the earthquake zone. One consequence was the blockading of the border with India. During the crisis of September 2015-February 2016, fuel imports from India fell dramatically. This affected many areas of the economy at a time when the country was trying to recover from the earthquake.[43]

The chapter focuses on the impacts of the crisis on access to and prices of fuel, and the impact on aid. Impacts on the most vulnerable sections of the population are explored.

Key findings:

Access to fuel

- Almost two-thirds said that the fuel crisis had negatively affected their access to fuel for cooking. Access to fuel for transportation has been less affected, in part because half of respondents said they do not need fuel for transportation.
- More people's access to fuel was affected in rural than urban areas. The richest, and higher caste people, were the least likely to say access to fuel has been affected.
- Those living in temporary shelters were the most likely to have had their access to fuel for cooking affected. Disability and gender do not affect reported access to fuel.

Sources of fuel

- Of those able to obtain fuel, the most important source by far was wood, used for cooking. More people got fuel on the regular or black market than from the government.
- The use of wood for fuel was much higher in rural than urban areas. Those in self-constructed shelters are much more likely to have used wood as fuel than those in other types of housing.
- In urban areas, 14% bought fuel on the black market. Richer people were more likely than poorer ones to buy on the black market. The poorest were the least likely to receive free fuel from the government.

[43] Nepal depends primarily on India for fuel (in particular, petroleum and gas), essential for cooking and transportation. The fuel shortage therefore had impacts across the country.

Price of fuel

- One-half of people said they paid more for fuel during the crisis. There is extremely large variation across districts.
- While more people's access to fuel was affected in rural areas, people there were less likely to pay more. This is because people in rural areas were more likely to use wood for fuel and less likely to buy on the black market.
- Those in the lowest income bracket were the most likely to say they paid significantly more for fuel than before the crisis. There are no major differences in prices paid by caste, gender, or disability.

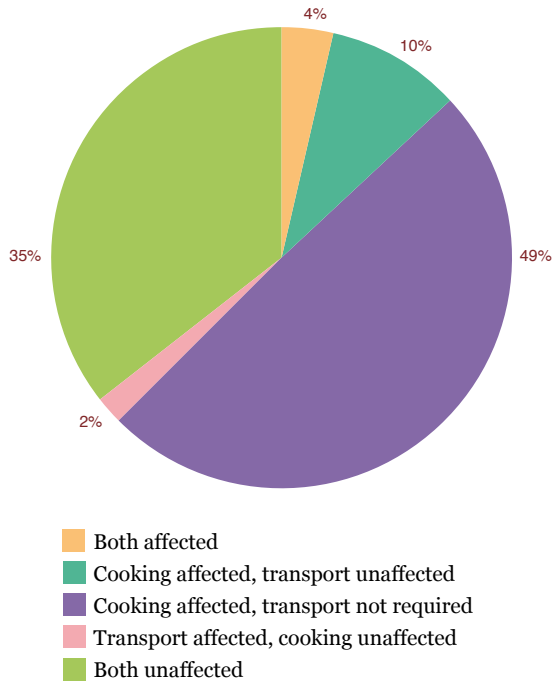
Impacts on aid and recovery

- One-quarter of people in severely hit districts said that aid completely stopped during the crisis; 41% said it continued but at lower volumes than before.

6.1 Access to fuel

The fuel crisis had substantial effects on people's access to fuel. Almost two-thirds of respondents said that the fuel crisis negatively affected access to fuel for cooking (Figure 6.1). Access to fuel for transportation appears to have been less affected. Around half of respondents said they do not need fuel for transportation in their day-to-day lives. Of the remaining 51% of people who need fuel for transportation, only around 12% said the crisis negatively affected this (6% of the whole sample).

Figure 6.1: Effect of the crisis on access to fuel for cooking and transportation (IRM-2)



Geographic variation in access to fuel

Table 6.1 presents the breakdown of responses by district and district impact category. A number of points stand out.

First, there is very wide variation in the extent to which people said access to *fuel for both uses* was unaffected. Amongst severely hit districts, only 4% of people in Sindhupalchowk and 6% in Nuwakot said this was the case. (Solukhumbu, a hit with heavy losses district, is the other place where very few people say access to both was unaffected). In contrast, 73% in Gorkha said that access to fuel for cooking and transportation was unaffected. As discussed below, the black market functioned in Gorkha to a greater extent than in most other districts.

Second, there is also large variation in the extent to which the crisis affected access to *fuel for cooking*. In Nuwakot, reduced access to cooking fuel affected 94% people, in Sindhupalchowk the figure was 96%, and 93% in Solukhumbu saw negative impacts on their access to cooking fuel.[44]

Third, there is large variation in the extent to which *fuel for transportation* is not required. In four districts, over three-quarters of people said fuel for transportation was not needed and hence restricted access to it was not important: Nuwakot (77%), Sindhupalchowk (90%), Okhaldhunga (82%), and Solukhumbu (90%).

There are not clear systematic links between the impacts of the earthquake and the extent to which the crisis affected access to fuel. However, in many of the more impacted districts, the crisis did severely restrict access to fuel.

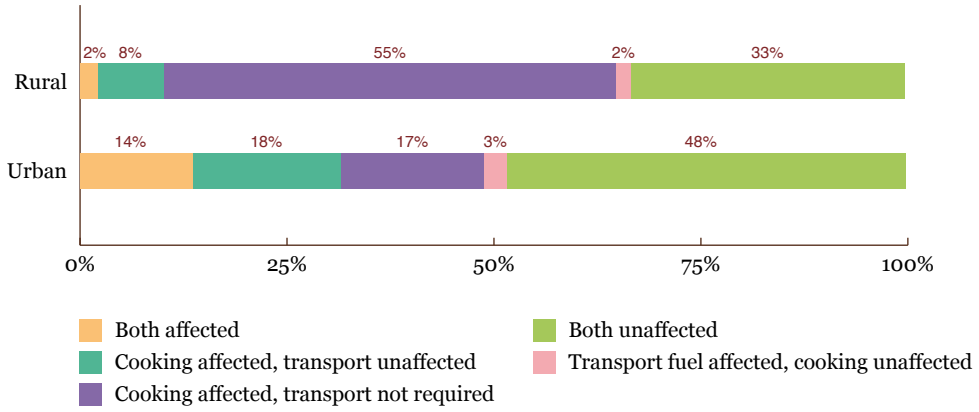
[44] This is calculated by adding the first three columns in Table 6.1.

Table 6.1: Effect of the crisis on access to fuel for cooking and transportation – by district impact and district (IRM-2)

	Both affected	Cooking affected, transport unaffected	Cooking affected, transport not required	Transport affected, cooking unaffected	Both unaffected
Severely hit	**1%**	**6%**	**54%**	**0%**	**37%**
Dhading	2%	1%	50%	0%	47%
Gorkha	1%	9%	16%	0%	73%
Nuwakot	2%	15%	77%	0%	6%
Ramechhap	1%	3%	40%	1%	56%
Sindhupalchowk	2%	4%	90%	0%	4%
Crisis hit	**10%**	**12%**	**38%**	**2%**	**37%**
Bhaktapur	10%	5%	18%	5%	61%
Kathmandu	19%	30%	16%	1%	35%
Okhaldhunga	2%	0%	82%	0%	16%
Hit with heavy losses	**1%**	**2%**	**66%**	**5%**	**26%**
Lamjung	0%	1%	41%	10%	46%
Solukhumbu	0%	3%	90%	0%	5%
Hit	**2%**	**32%**	**25%**	**4%**	**36%**
Syangja	2%	32%	25%	4%	36%
All districts	***4%***	***9%***	***49%***	***2%***	***35%***

More people's access to fuel was affected in rural areas than urban ones (Figure 6.2). Almost half of urban respondents said the crisis had not affected their access for either use; the figure for rural respondents was one-third. A far higher proportion of people in rural areas said access to cooking fuel was affected compared to those in urban areas.

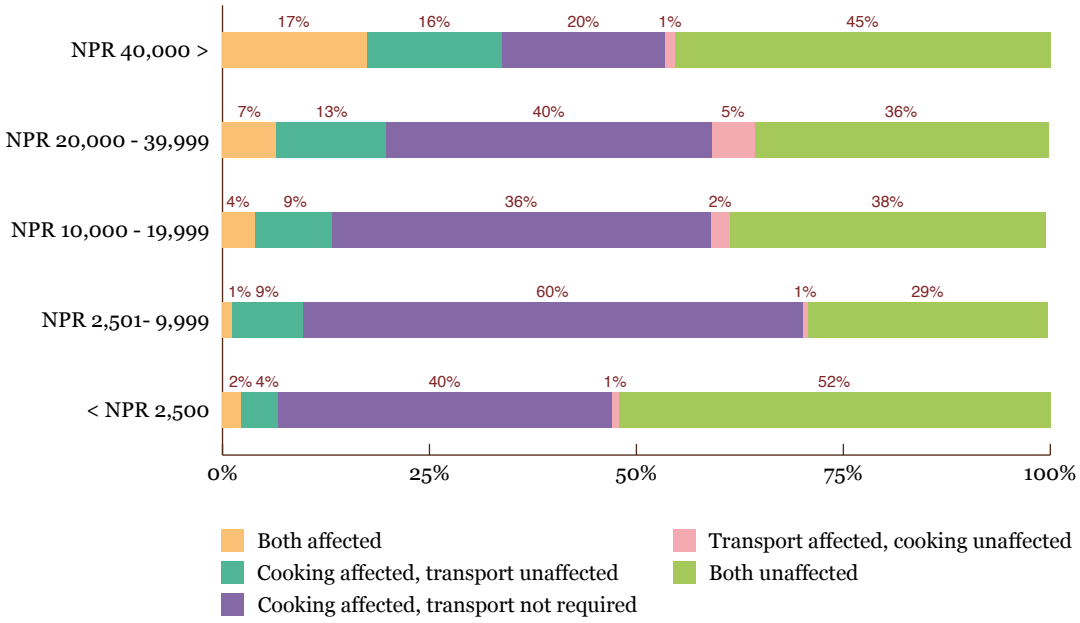
Figure 6.2: Effect of the crisis on access to fuel for cooking and transportation – by urban/rural (IRM-2)



What was the effect on access for different population groups?

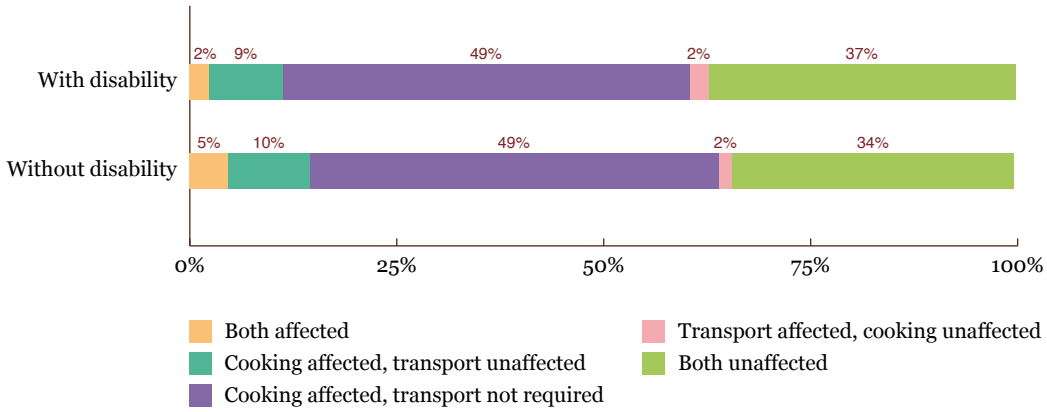
Income. The richest, those who have an income of more than NPR 40,000/month, were the most likely report that access to fuel for both cooking and transportation was not affected (Figure 6.3). The richest primarily live in urban areas, which, as shown in Figure 6.2, were less affected in terms of access. Transportation fuel is also more likely to be a requirement for higher income households. However, this group was also the second most likely to report that access was unaffected. This may be because they were more able than those with lower incomes to pay higher prices for scarce fuel if they needed it.

Figure 6.3: Effect of the crisis on access to fuel for cooking and transportation – by income band (IRM-2)



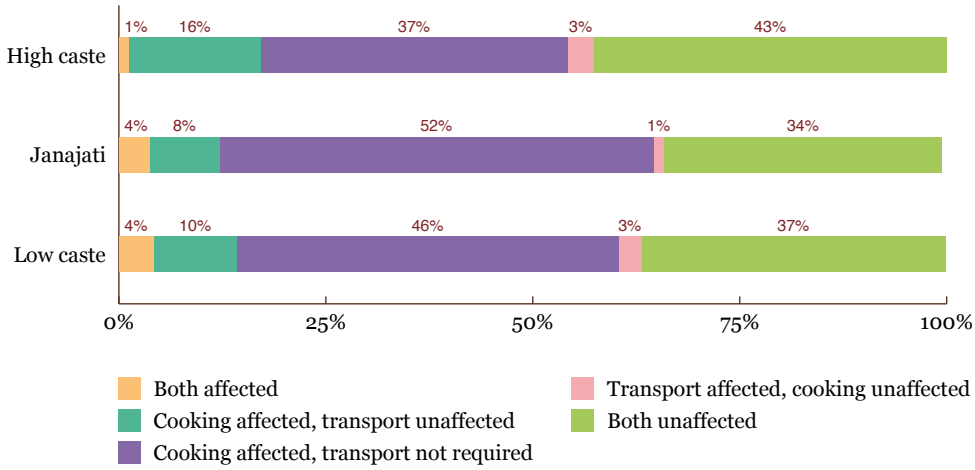
Disability. There is little discernible difference between those with and without disabilities in the ability to access fuel (Figure 6.4). A larger share of those with disabilities reported being completely unaffected (37%) by the fuel crisis in terms of access to cooking and transport fuel. The same share reported that transport was affected and not cooking (2%).

Figure 6.4: Effect of the crisis on access to fuel for cooking and transportation – by disabled/non-disabled (IRM-2)



Caste. Higher caste groups seem to be have been slightly more insulated from impacts. Forty-three percent reported no impact on access to fuel for transportation and cooking compared to the sample average of 35% (Figure 6.5). Higher caste groups were also less likely to report that transport fuel was not a requirement, indicating greater transport use (37% against the sample average of 49%).

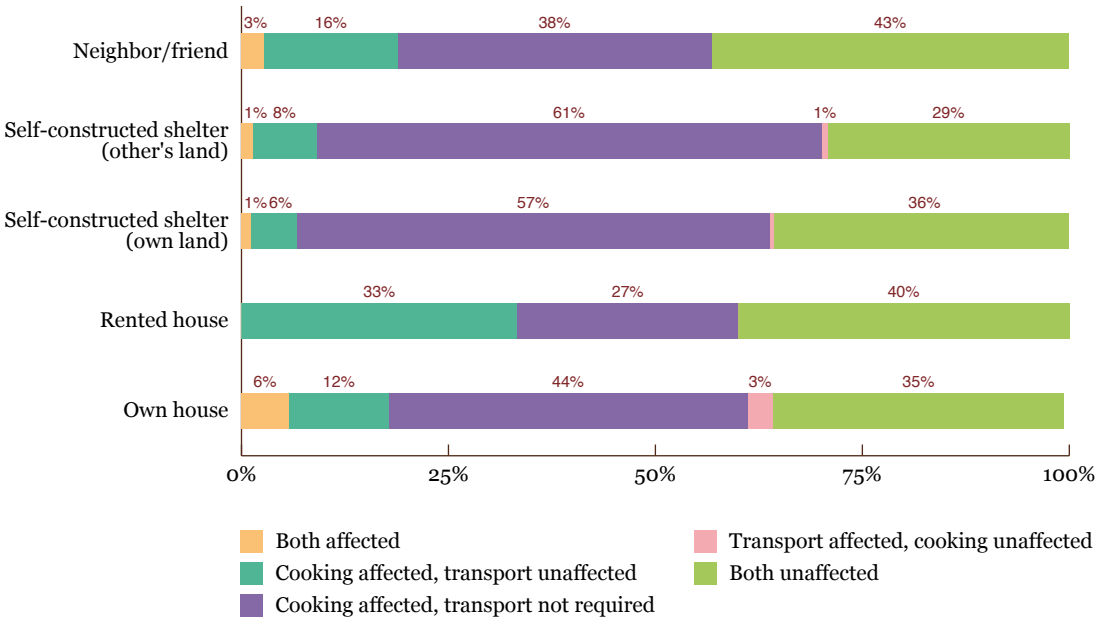
Figure 6.5: Effect of the crisis on access to fuel for cooking and transportation – by caste (IRM-2)



Gender. There are no gender-based differences in terms of access to transport and cooking fuel. Nearly the same proportion reported that fuel for both purposes was unaffected (35% women, 36% men) and the largest share of both reported that cooking was affected and transport was not required (49/50%). Both cooking and transport are household rather than individual expenditures. As such, the gender of the survey respondent should not have affected responses.

Current type of shelter. Those who continue to live in self-constructed shelters (on their own land or land belonging to others) were more likely to have faced problems with respect to cooking fuel access, and they were also more likely to report that transport is not required (Figure 6.6). This is a concern, as those in shelters are among the most vulnerable following the earthquake.

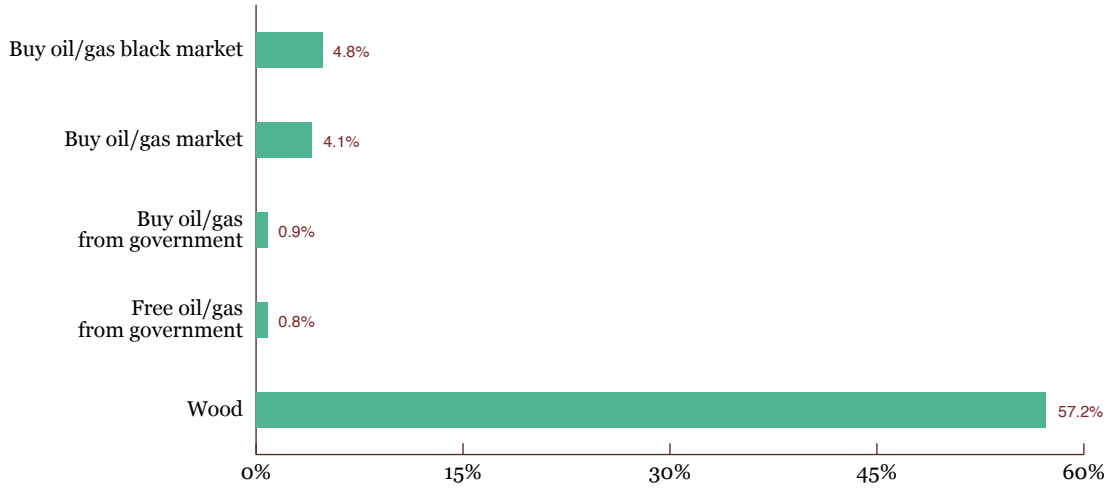
Figure 6.6: Effect of the crisis on access to fuel for cooking and transportation – by current shelter (IRM-2)



6.2 Sources of fuel

Sixty-four percent of respondents had access to fuel during the crisis: for cooking, transport, or for both. Of those able to obtain fuel, the most important source by far was wood (Figure 6.7).[45] Wood can be used for cooking but not for transportation. The second and third most important sources of fuel were oil and gas bought from the black market and the regular market, both of which are used for transportation. More people got fuel on the market than from the government.

Figure 6.7: Sources of fuel during the crisis (IRM-2)



Geographic variation in sources of fuel

Table 6.2 shows where people got fuel from in each district. People were most likely to be able to buy oil or gas on the regular market in Bhaktapur, Kathmandu, and Gorkha. These same districts, along with Syangja, are where black market oil and gas were most readily available.

Reliance on the government for access to fuel (paid and unpaid) was very low, with free fuel distribution noted only in Dhading, Nuwakot, and Kathmandu at levels of over 1% of the district populations; and sales of fuel by government at over 1% of the district populations occurred only in Bhaktapur and Kathmandu.

Table 6.2: Sources of fuel during the crisis – by district impact and district (IRM-2)

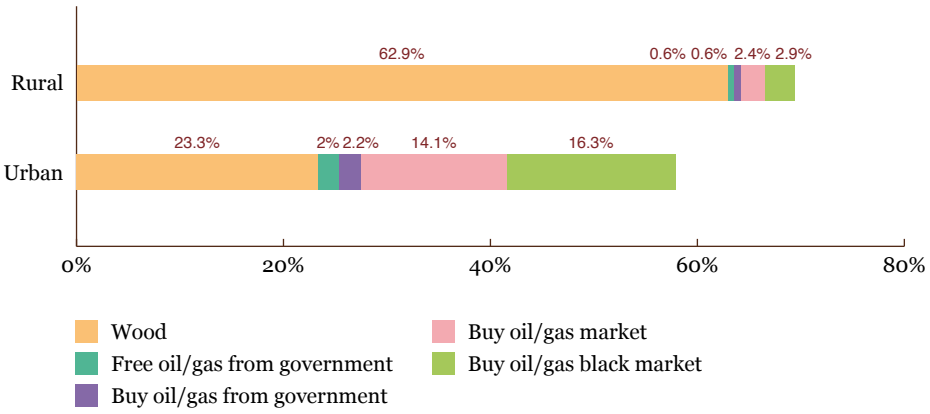
District	Wood	Free oil/gas government	Buy oil/gas government	Buy oil/gas market	Buy oil/gas black market
Severely hit	**59%**	**1%**	**1%**	**2%**	**2%**
Dhading	51%	1%	0%	1%	2%
Gorkha	18%	0%	1%	7%	5%
Nuwakot	91%	3%	1%	2%	1%
Ramechhap	43%	0%	1%	0%	3%
Sindhupalchowk	93%	1%	0%	2%	3%
Crisis hit	**45%**	**1%**	**2%**	**9%**	**10%**

[45] Respondents could pick multiple answers. Throughout this section, reported percentages are of the full sample, not of only those who could access fuel.

District	Wood	Free oil/gas government	Buy oil/gas government	Buy oil/gas market	Buy oil/gas black market
Bhaktapur	15%	1%	2%	19%	13%
Kathmandu	36%	2%	3%	7%	17%
Okhaldhunga	84%	0%	0%	1%	0%
Hit with heavy losses	**70%**	**0%**	**1%**	**2%**	**1%**
Lamjung	52%	0%	0%	2%	1%
Solukhumbu	89%	1%	1%	2%	1%
Hit	**59%**	**0%**	**1%**	**2%**	**9%**
Syangja	59%	0%	1%	2%	9%
All districts	***57%***	***1%***	***1%***	***4%***	***5%***

The use of wood for fuel during the crisis was strikingly higher in rural areas (63% compared to 23% in urban places) – Figure 6.8. Reliance on all other sources of fuel was much higher in urban areas – particularly buying oil and gas from the black market (16.3% against 2.9% in rural areas) and from the regular market (14.1% against 2.4% in rural areas).[46]

Figure 6.8: Sources of fuel during the crisis – by urban/rural (IRM-2)



Where did different population groups get their fuel from?

Income. The highest share of those who used wood as a source of fuel (68%) is those in one of the lower income brackets (NPR 2,501-9,999/month). The very poorest were among the least likely to access any form of fuel. However, there was also relatively high use of wood among higher income segments, although there is a declining share for each successive income bracket. Richer people were more likely than poorer ones to get their fuel from other sources, especially from the black market. Notably, the poorest were the least likely to receive free fuel from the government.

[46] Percentages in the figure do not add up to 100% because not everyone could access fuel.

Table 6.3: Sources of fuel during the crisis – by income band (IRM-2)

Monthly income	Wood	Free oil/gas government	Buy oil/gas government	Buy oil/gas market	Buy oil/gas black market
<NPR 2,500	44.9%	0.0%	0.7%	0.7%	1.5%
NPR 2,501- 9,999	68.2%	0.3%	0.5%	1.8%	2.0%
NPR 10,000 - 19,999	53.1%	1.3%	0.8%	5.2%	5.2%
NPR 20,000 - 39,999	48.6%	1.0%	1.4%	6.9%	10.2%
NPR 40,000 >	39.5%	1.2%	1.2%	5.8%	16.3%
Total	***57.2%***	***0.8%***	***0.9%***	***4.1%***	***4.8%***

Disability. There are no discernible differences in terms of sources from which fuel was obtained during the crisis, between those with disabilities and those without.

Caste. Janajatis are slightly more likely to have used wood than lower and higher caste groups (58% compared to 56% and 54%) – Table 6.4. Surprisingly, lower caste people were more likely to have purchased oil and gas from the black market (6% compared to 4% for Janajatis and for high caste), while Janajatis were more likely to have bought oil or gas on the regular market. No high caste people received fuel from the government.

Table 6.4: Sources of fuel during the crisis – by caste (IRM-2)

Caste	Wood	Free oil/gas government	Buy oil/gas government	Buy oil/gas market	Buy oil/gas black market
Low caste	55.8%	1.1%	0.9%	3.7%	6.0%
Janajati	58.4%	0.7%	1.0%	4.4%	4.3%
High caste	53.8%	0.0%	0.0%	2.4%	3.6%
Total	***57.2%***	***0.8%***	***0.9%***	***4.1%***	***4.8%***

Gender. There are no significant gender-based differences in terms of sources of fuel during the crisis period.

Current type of shelter. Those in self-constructed shelters were much more likely to have used wood (63% and 65%) relative to those in other forms of housing (the sample average is 57%) – Table 6.5. Although in extremely small shares, those in self-constructed shelters on their own land were also the most likely to have received free oil or gas supplies from the government (1%); and those in self-constructed shelters on other people's land were the most likely to have purchased oil and gas from the government (2%). Those in shelters (whether on their own land or on land owned by others/community) were also less likely to have purchased oil and gas from the regular or black market. This would follow as these sources are likely to be more expensive.

Table 6.5: Sources of fuel – by current shelter (IRM-2)

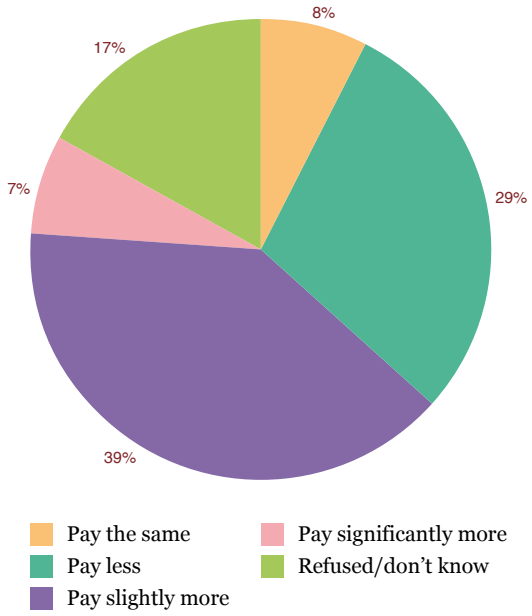
Current shelter	Wood	Free oil/gas government	Buy oil/gas government	Buy oil/gas market	Buy oil/gas black market
Own house	53.4%	0.7%	1.2%	5.9%	7.3%
Rented house	20.0%	0.0%	0.0%	26.7%	20.0%
Self-constructed shelter (own land)	62.6%	1.0%	0.3%	1.1%	1.4%
Self-constructed shelter (other's land and community owned)	65.3%	0.0%	2.1%	3.5%	2.8%
Neighbor/friend	43.2%	0.0%	0.0%	13.5%	2.7%
Total	***57.2%***	***0.8%***	***0.9%***	***4.1%***	***4.8%***

6.3 Price paid for fuel

Forty-six percent of people said they paid more for fuel—if they could get it—compared to before the crisis (Figure 6.9). Of this group, the vast majority said they paid slightly more rather than significantly more. Interestingly, 29% said that they paid less than before the crisis. This may be because they limited their fuel consumption.

Unlike other questions on the ability to access fuel and alternate sources used during the crisis, where the percentage of those who answered that they did not know was less than 1%, a much larger share (17%) were unable or unwilling to provide responses regarding the price they paid for fuel.

Figure 6.9: Changes in fuel prices compared to before the crisis (IRM-2)



Geographic variation in changes in fuel prices

A large share of people in the comparatively less earthquake-affected district of Syangja report that prices they paid for fuel increased during the crisis (Table 6.6). This might be associated with greater levels of economic activity in that district and, as a result, a greater demand for fuel for industrial and transport use. This is substantiated by the fact that Syangja has the lowest share of households (25%, from Table 6.1 above) reporting that transport fuel was not a requirement during the fuel crisis. Prior findings on higher levels of borrowing in this district (including for investment in farming and business), the highest rate of recovery among businesses over the past three months, and the highest incidence of bank borrowing in this district, which is generally associated with non-consumption requirements, also point to greater overall economic activity in Syangja.

There is extremely large variation across districts. In Dhading, for example, 93% of people said they paid more, while in Nuwakot, which was also severely hit by the earthquake, only 18% said they paid more.[47]

Overall, only 7% of respondents reported that they paid significantly more for fuel during the crisis. This is perhaps unsurprising given that the majority of households appear to have used wood, which was not directly affected by the crisis, as a source of fuel. The greatest share of those reporting paying a much higher price is in the crisis hit districts (9%), and, in particular, in Kathmandu (18%). This keeps with the earlier finding that the greatest negative impacts on access were in these districts for both cooking and transport (10%, from Table 6.1 above, relative to the sample average of 4%). This indicates that fuel supply likely fell far short of demand. Further, the highest share in Bhaktapur and Kathmandu reported buying oil and gas from the regular market (19% and 7%, respectively, compared to the sample average of 4%) and from the black market (13% and 17%, respectively, compared to the sample average of 5%). Prices can be expected to be higher from these sources.

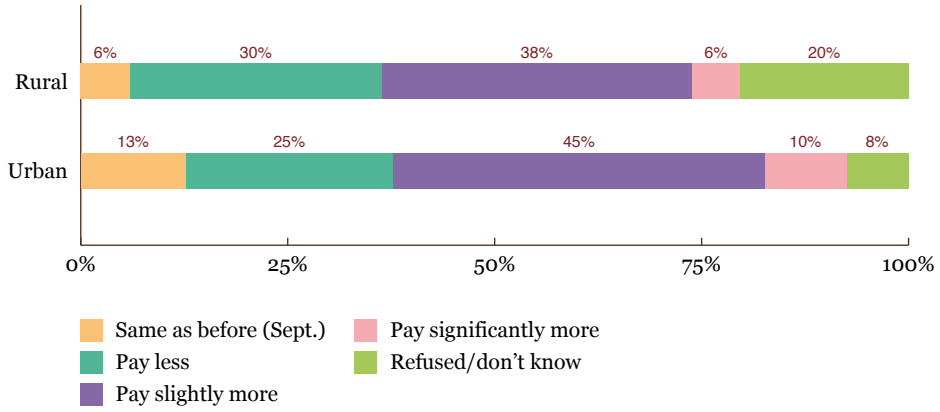
[47] Gorkha has the lowest rate of people saying they paid more (16%). But 72% of respondents in Gorkha refused to answer the question or said they did not know.

Table 6.6: Changes in fuel prices compared to before the crisis – by district impact and district (IRM-2)

District	Pay the same	Pay less	Pay slightly more	Pay significantly more	Refused/ Don't know
Severely hit	**13%**	**26%**	**40%**	**4%**	**16%**
Dhading	4%	2%	83%	10%	1%
Gorkha	3%	9%	10%	6%	72%
Nuwakot	36%	43%	16%	2%	2%
Ramechhap	13%	29%	49%	3%	8%
Sindhupalchowk	9%	48%	42%	0%	0%
Crisis hit	**9%**	**42%**	**34%**	**9%**	**6%**
Bhaktapur	4%	29%	50%	5%	11%
Kathmandu	18%	29%	35%	18%	0%
Okhaldhunga	5%	67%	18%	5%	5%
Hit with heavy losses	**2%**	**51%**	**26%**	**3%**	**19%**
Lamjung	3%	63%	25%	3%	5%
Solukhumbu	0%	38%	26%	2%	3%
Hit	**2.%**	**32%**	**52%**	**5%**	**8%**
Syangja	2%	32%	52%	5%	8%
All districts	***8%***	***29%***	***40%***	***7%***	***17%***

Rural areas appear to have been relatively insulated from the impacts of the crisis on the price of fuel, with only 6% reporting paying significantly higher prices, against 10% in urban areas, and 38% reporting paying slightly more, compared to 45% in urban areas (Figure 6.10). This is in keeping with the earlier finding that 62% of the rural population used wood during the crisis (Figure 6.8 above) relative to 23% in urban areas. Urban areas also had a significantly higher share that bought oil and gas from the regular and black market.

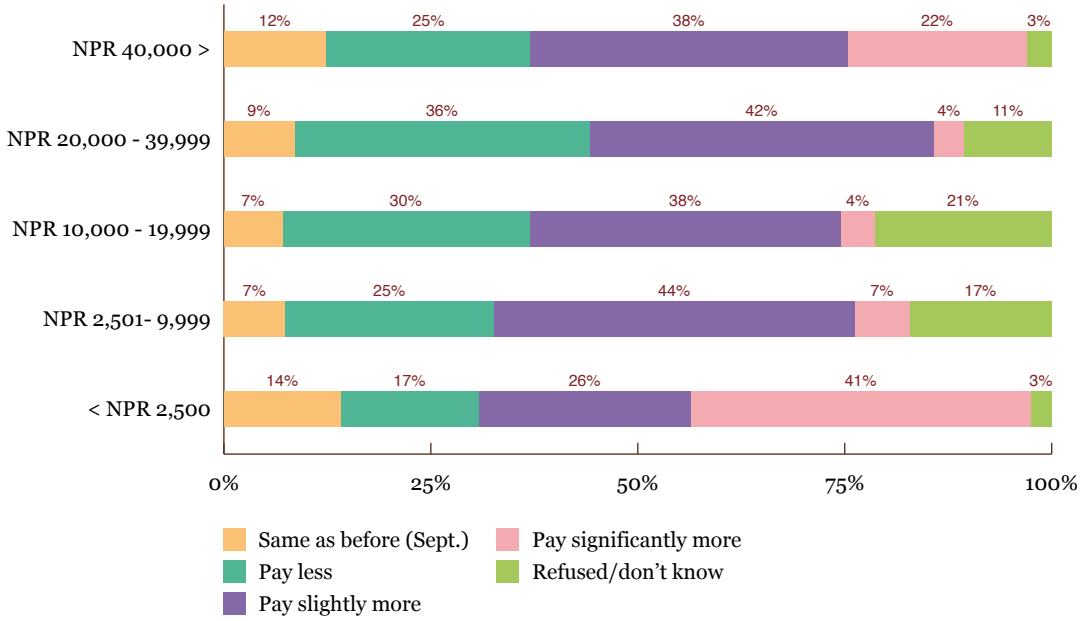
Figure 6.10: Changes in fuel prices compared to before the crisis – by urban/rural (IRM-2)



Income. It is concerning that those in the lowest income bracket are the most likely to say they paid significantly more for fuel than before the crisis (41%) – Figure 6.11. This share is far higher than the sample average (7%). The second poorest group were the most likely to say they paid slightly more. With the caveat that price information is self-reported, the data suggest that the impact of the crisis on fuel prices was borne disproportionately by those with lower incomes.[48]

[48] This caveat is worth noting since the question on price resulted in a much larger share of respondents stating that they did not know the answer, compared with other questions, pointing to a potential reluctance to share this information.

Figure 6.11: Changes in fuel prices compared to before the crisis – by income band (IRM-2)



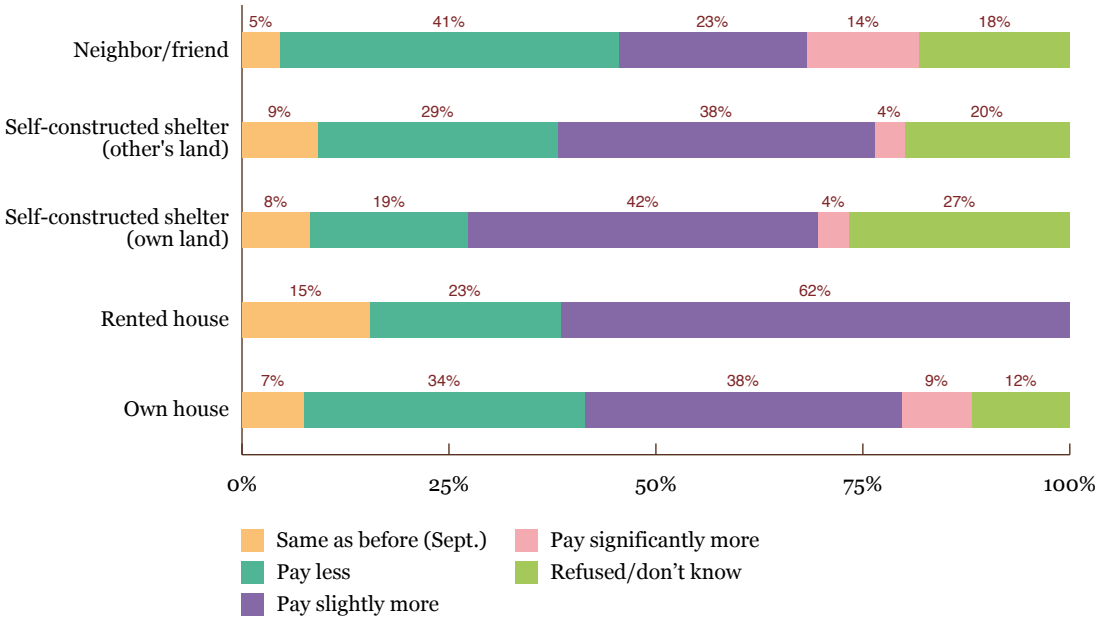
Disability. There does not appear to be a conclusive association between disability and the price paid for fuel. Those with disabilities were more likely to say they paid less for fuel during the crisis (27% against 30% for those without) but also comprise a larger share of those paying slightly more (44% against 37% for those without).

Caste. A higher share of lower caste people reported paying slightly more (43%) compared to the sample average (40%) but there are no other notable associations between caste groups and the reported price paid for fuel during the crisis.

Gender. There are not significant differences in reported prices men and women paid.

Current type of shelter. Those in their own houses or in rented houses were the most likely to report that they paid more than before the crisis (47% and 62%) – Figure 6.12. However, those in shelters on their own land or others' land also frequently said they had paid more (46% and 42%).

Figure 6.12: Changes in fuel prices compared to before the crisis – by current shelter (IRM-2)



6.4 Impacts on aid and recovery

The fuel crisis had an impact on recovery in two ways. First, it increased the prices people paid for staple goods, reducing the money they had for other things (see Figure 5.10 above). Second, it directly impacted the distribution of aid.

Fifty-four percent of people said that the fuel crisis led to either the stopping, or a reduction, of aid in their wards. In severely hit districts, 66% said the same, with one-quarter reporting that aid completely stopped (Figure 6.13). There is variation between districts in the perceived impact of the fuel crisis on aid distribution (Table 6.7).

Figure 6.13: Did protests over the new Constitution and the fuel crisis affect aid assistance in your ward – by district impact (IRM-2)

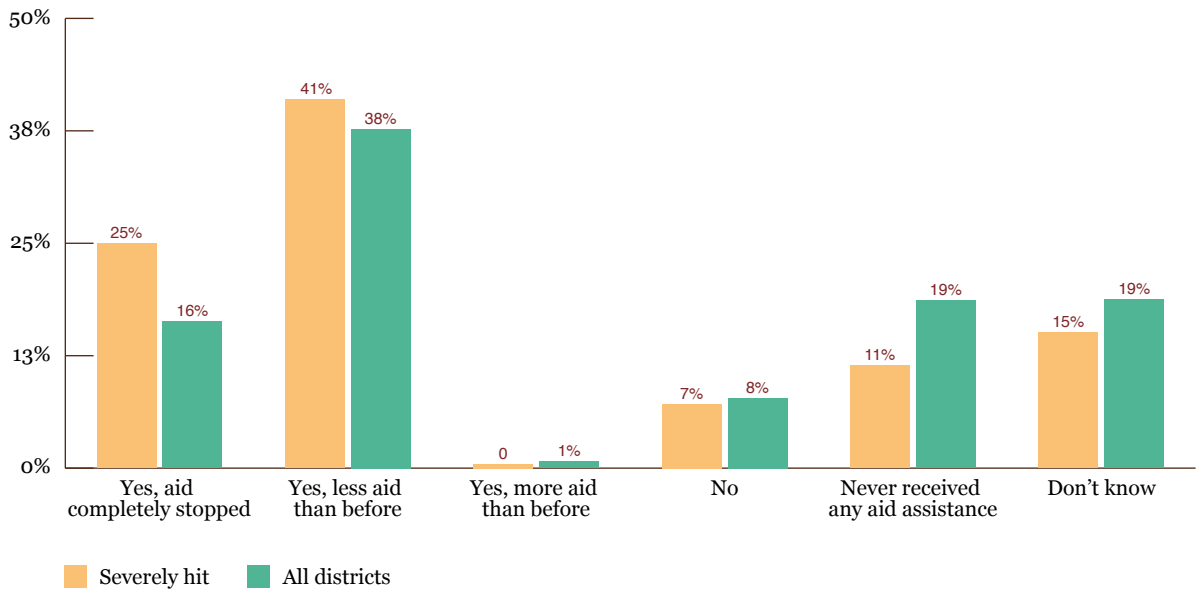


Table 6.7: Did protests over the new Constitution and the fuel crisis affect aid assistance in your ward – by district impact and district (IRM-2)

	Yes, aid completely stopped	Yes, less aid than before	Yes, more aid than before	No change	Never received any aid assistance	Don't know
Severely hit	**25%**	**41%**	**0%**	**7%**	**11%**	**15%**
Dhading	37%	19%	0%	10%	19%	15%
Gorkha	25%	57%	1%	11%	2%	5%
Nuwakot	9%	42%	1%	8%	14%	26%
Ramechhap	24%	45%	0%	2%	15%	14%
Sindhupalchowk	30%	42%	0%	6%	6%	16%
Crisis hit	**14%**	**25%**	**1%**	**10%**	**32%**	**17%**
Bhaktapur	5%	5%	0%	6%	59%	25%
Kathmandu	19%	52%	4%	4%	12%	9%
Okhaldhunga	17%	19%	0%	21%	25%	17%
Hit with heavy losses	**4%**	**43%**	**0%**	**5%**	**21%**	26%
Lamjung	1%	25%	0%	8%	43%	24%
Solukhumbu	6%	62%	1%	3%		29%
Hit	**5%**	**47%**	**1%**	**10%**	**9%**	**28%**
Syangja	5%	47%	1%	10%	9%	28%
All districts	***16%***	***38%***	***1%***	***8%***	***19%***	***19%***

Chapter 7. Politics

Photo: Binu Sharma

In the early post-earthquake period, the disaster had little observable impact on people's political preferences. Has this changed over time? This chapter analyses attitudes towards political parties and the state and how these have changed as the recovery process has continued.

Key findings:

Political party preferences

- Most people say they do not know who they will vote for in the election. Amongst those who have decided, there is increased support for Nepali Congress and CPN-UML with a slight drop in support for UCPN (Maoist).
- Past UCPN (Maoist) voters are more likely to live in severely hit districts than other areas. A larger share of these voters say they are uncertain who they will vote for next time and some have moved to support other parties.
- People belonging to higher caste and Janajatis tended to vote for Nepali Congress and CPN-UML in the last election, whereas those in the lower caste group were more likely to vote for UCPN (Maoist). However, the drop in planned voted for UCPN (Maoist) holds for all caste groups.
- RPP-N has been most successful in recruiting voters who chose other parties last time around.

Satisfaction with political parties

- Satisfaction with the aid response of political parties has declined since IRM-1. The drop is highest in severely hit districts. Among those who were satisfied in IRM-1, 72% now say they are dissatisfied. Only 32% of all respondents are satisfied with local political parties.
- There are indications that declines in satisfaction are higher in areas where less aid was received.
- There are not substantive differences in satisfaction levels across most demographic characteristics. However, those with higher incomes or education, and people who are either high caste or Janajati, are more likely to report low levels of satisfaction.

Satisfaction with central government

- Satisfaction with the aid response of the central government has increased since IRM-1 but one-third are still dissatisfied. Among those who were satisfied in IRM-1, 32% now say they are dissatisfied.

- Patterns are similar to those of attitudes towards local parties when analyzing by earthquake impact levels and demographic characteristics. People in higher impact districts are more likely to be dissatisfied than those in lower impact districts.

Responsiveness of Constituent Assembly (CA) members

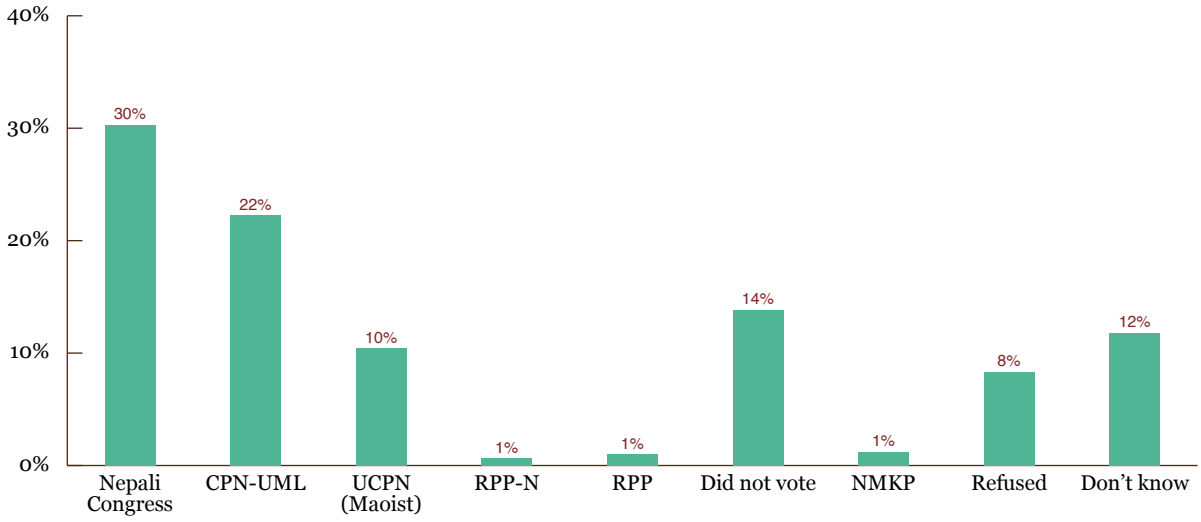
- Two-thirds of respondents report that CA members have not visited their areas since the beginning of the 2015 monsoon. Visits from CA members to earthquake-affected wards have dropped slightly since IRM-1.

7.1 Political party preferences

Who did people vote for in the last election?

IRM-2 asked people which party they voted for in the last election. As Figure 7.1 shows, most voted for Nepali Congress or CPN-UML, with large numbers saying they did not vote or did not know who they voted for.[49]

Figure 7.1: Who people voted for in the last election (IRM-2)



Districts that were less affected have higher shares of Nepali Congress voters and severely hit districts have a much larger proportion of voters (19%) who chose UCPN (Maoist). Voters in rural areas are more likely to disclose who they voted for than those in urban areas. There are not large differences in the past voting preferences of men and women (Table 7.1).[50]

[49] Similar to IRM-1 in February 2015, respondents were asked which party they voted for in the last elections. In both surveys, the election referred to is the 2013 national parliamentary elections. We do not find much difference in responses across the two periods.

[50] One significant change from the last survey is that respondents were more open this time. Only 8% refused to respond, which is seven percentage points less than in IRM-1.

Table 7.1: Who people voted for in the last election – by district impact, urban/rural, and gender (IRM-2)

	District earthquake impact				Urban/rural		Gender		All districts
	Severely hit	Crisis hit	Hit with heavy losses	Hit	Rural area	Urban area	Female	Male	
Nepali Congress	28%	24%	43%	36%	32%	20%	29%	32%	30%
CPN-UML	21%	20%	25%	27%	24%	12%	21%	23%	22%
UCPN (Maoist)	19%	4%	4%	2%	11%	7%	9%	11%	10%
RPP-N	0%	1%	1%	0%	1%	0%	0%	1%	1%
RPP	2%	0%	0%	0%	1%	1%	1%	1%	1%
NMKP	0%	5%	0%	0%	0%	6%	1%	1%	1%
Did not vote	14%	14%	11%	17%	14%	13%	16%	12%	14%
Refused	5%	16%	5%	11%	6%	22%	8%	9%	8%
Don't know	11%	16%	11%	8%	10%	20%	15%	9%	12%
Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***

Solukhumbu, Nuwakot, and Okhaldhunga have the highest number of respondents who voted for Nepal Congress. Lamjung, Sindhulpalchowk, and Dhading have the most CPN-UML voters. Gorkha and Ramechhap have the highest number of UCPN-Maoists voters – Table 7.2. Significant numbers of voters in Kathmandu and Bhaktapur either refused to respond or chose the don't know option.

Table 7.2: Who people voted for in the last election – by district impact and district (IRM-2)

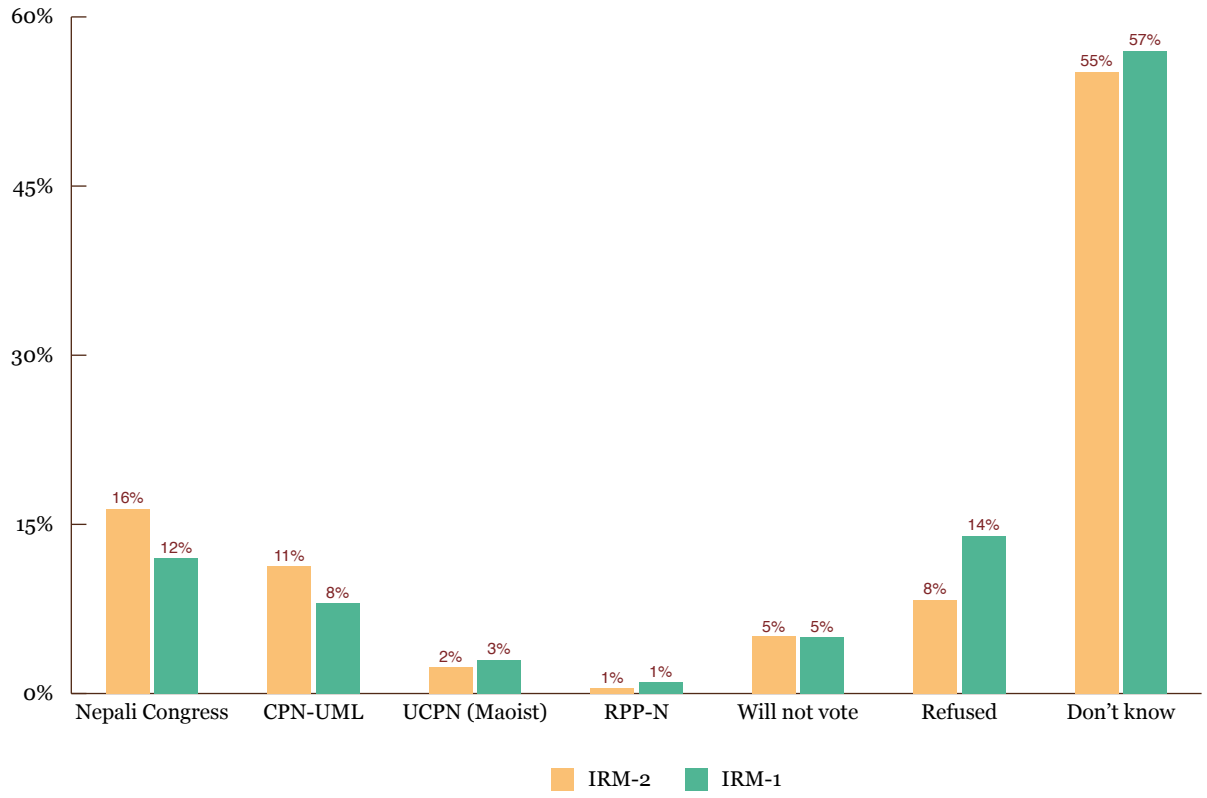
	Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Did not vote	NMKP	Refused	Don't know	*Total*
Severely hit	**28%**	**21%**	**19%**	**0%**	**2%**	**0%**	**14%**	**0%**	**5%**	**11%**	***100%***
Dhading	25%	32%	9%	1%	1%	0%	21%	0%	3%	9%	*100%*
Gorkha	25%	7%	46%	1%	0%	0%	13%	0%	4%	5%	*100%*
Nuwakot	45%	13%	9%	0%	1%	0%	13%	0%	7%	12%	*100%*
Ramechhap	29%	23%	20%	0%	0%	0%	11%	0%	2%	15%	*100%*
Sindhupalchowk	16%	32%	10%	0%	8%	0%	13%	0%	8%	13%	*100%*
Crisis hit	**24%**	**20%**	**4%**	**1%**	**0%**	**0%**	**14%**	**5%**	**16%**	**16%**	***100%***
Bhaktapur	13%	13%	4%	1%	0%	0%	11%	13%	24%	21%	*100%*
Kathmandu	20%	17%	4%	1%	1%	0%	16%	0%	21%	19%	*100%*
Okhaldhunga	40%	31%	3%	0%	0%	1%	13%	0%	4%	8%	*100%*
Hit with heavy losses	**43%**	**25%**	**4%**	**1%**	**0%**	**0%**	**11%**	**0%**	**5%**	**11%**	***100%***
Lamjung	35%	35%	4%	1%	1%	0%	17%	0%	3%	6%	*100%*
Solukhumbu	51%	16%	3%	2%	0%	0%	6%	0%	6%	15%	*100%*
Hit	**36%**	**27%**	**2%**	**0%**	**0%**	**0%**	**17%**	**0%**	**11%**	**8%**	***100%***
Syangja	36%	27%	2%	0%	0%	0%	17%	0%	11%	8%	*100%*

For most demographic breakdowns, there is not much variation in support for political parties. Women expressed slightly higher level of uncertainty (6% more women report they didn't know compared to men) and individuals in higher income groups were more likely to refuse to respond. However, when breaking down by caste, people belonging to high caste groups were more likely to vote for Nepal Congress or CPN-UML, while low caste respondents were relatively more likely to have chosen UCPN (Maoist) – data is provided in Table 7.5 below.

Have political preferences changed since the earthquake?

When asked which party they would vote for if an election was to be held, most respondents either stated that they did not know or refused to answer. This pattern of non-response is similar to IRM-1 (Figure 7.2). The main difference is the increased support for the two mainstream parties, by four percentage points for Nepali Congress and three percentage points for CPN-UML. There has been a slight decrease in support for UCPN (Maoist) by one percentage point.

Figure 7.2: Voting preference for next election (IRM-1/IRM-2 comparison)



There is substantial variation in current party preferences between districts. In general, support for UCPN (Maoist) is highest in severely hit districts, in particular in Gorkha (Table 7.3). Support for Nepali Congress is highest in the hit with heavy losses districts: Lamjung and Solukhumbu.

There has been a significant decrease in support for Nepali Congress in Okhaldhunga. In that district, 40% of people said they voted for Nepali Congress in the last election (Table 7.2) while only 16% said they will do so in the next election (Table 7.3). Okhaldhunga has been the district least served by aid since IRM-1 (see Chapter 4). There has also been a sharp decline in support for UCPN (Maoist) in Gorkha and Ramechhap.

Table 7.3: Party preferences – by district impact and district (IRM-2)

	Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	*Total*
Severely hit	**14%**	**9%**	**4%**	**0%**	**1%**	**0%**	**4%**	**0%**	**7%**	**61%**	***100%***
Dhading	13%	13%	3%	0%	0%	0%	4%	0%	3%	63%	*100%*
Gorkha	20%	7%	10%	1%	0%	0%	3%	0%	9%	49%	*100%*
Nuwakot	19%	6%	1%	0%	0%	0%	6%	0%	11%	56%	*100%*
Ramechhap	10%	9%	5%	0%	0%	0%	1%	0%	1%	74%	*100%*
Sindhupalchowk	7%	8%	2%	1%	3%	0%	4%	0%	12%	62%	*100%*

	Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	*Total*
Crisis hit	**10%**	**9%**	**0%**	**1%**	**0%**	**0%**	**6%**	**1%**	**17%**	**56%**	***100%***
Bhaktapur	6%	3%	0%	1%	0%	0%	6%	4%	15%	65%	*100%*
Kathmandu	9%	8%	0%	1%	0%	0%	8%	0%	22%	51%	*100%*
Okhaldhunga	16%	14%	1%	0%	0%	1%	5%	0%	13%	51%	*100%*
Hit with heavy losses	**30%**	**19%**	**2%**	**1%**	**0%**	**0%**	**8%**	**0%**	**2%**	**39%**	***100%***
Lamjung	28%	26%	3%	1%	1%	0%	15%	0%	2%	26%	*100%*
Solukhumbu	31%	12%	1%	1%	0%	0%	1%	0%	1%	53%	*100%*
Hit	**21%**	**18%**	**0%**	**0%**	**0%**	**0%**	**3%**	**0%**	**2%**	**56%**	***100%***
Syangja	21%	18%	0%	0%	0%	0%	3%	0%	2%	56%	*100%*

Where are the changes?

UCPN (Maoist) appears to have lost the most support. Table 7.4 combines information on who people voted for before and who they say they will vote for at the next election. As with IRM-1, of those who have decided who to support in the next election, most intend to vote for the same party as before. For example, only 1% of people who voted Nepali Congress in the last election say they will vote for a different party next time round. The figure is also 1% for CPN-UML. As shown above, past UCPN (Maoist) supporters make up a larger share of voters in severely hit districts. But only 20% of those who said they chose UCPN (Maoist) at the last election state that they would vote for the party if an election were held. Indeed, those who voted for UCPN (Maoist) in the last election are more likely to have shifted their allegiance, with 8% saying they would now vote for Nepal Congress or CPN-UML and 61% saying they still have to make up their mind.

Table 7.4: Current political preferences – by past votes (IRM-2)

		If an election was to be held soon, which party would you vote for? (IRM-2)										
		Nepali Congress	CPN-UML	UCPN (M)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	*Total*
Voted for in last election (IRM-2)	**Nepal Congress**	49%	1%	0%	0%	0%	0%	3%	0%	4%	42%	***100%***
	CPN-UML	1%	44%	0%	0%	0%	0%	4%	0%	6%	45%	***100%***
	UCPN (Maoist)	5%	3%	20%	0%	0%	0%	4%	0%	6%	61%	***100%***
	RPP-N	0%	8%	0%	52%	0%	0%	0%	0%	4%	36%	***100%***
	RPP	5%	3%	0%	0%	40%	0%	3%	0%	3%	48%	***100%***
	MJF-Nepal	0%	0%	0%	0%	0%	75%	25%	0%	0%	0%	***100%***
	Did not vote	5%	3%	1%	1%	0%	0%	18%	0%	4%	68%	***100%***
	NMKP	0%	0%	0%	0%	0%	0%	6%	26%	4%	64%	***100%***
	Refused	0%	1%	0%	0%	0%	0%	2%	0%	53%	44%	***100%***
	Don't know	0%	0%	0%	0%	0%	0%	1%	0%	1%	98%	***100%***

The decline in support for UCPN (Maoist) is seen across all caste groups. Amongst high caste voters, 9% said they voted for them in the last election while only 2% say they will do so next time, a decline of 78% (Table 7.5). The decline in planned votes for UCPN (Maoist) is 82% for Janajatis and 81% for lower caste voters.[51] These drops are substantively larger when compared to those for Nepal Congress and CPN-UML. For both parties, the decline in votes has been larger amongst Janajatis than high caste voters and, especially, lower caste voters.

[51] There is a drop in recorded support for all parties at the next election, in large part because more than half of people say they have not decided yet who they will vote for.

Table 7.5: Changes in political preferences – by caste, selected responses (IRM-2)

	High caste			Janajati			Lower caste		
	Vote last election	Vote next election	Decline in votes	Vote last election	Vote next election	Decline in votes	Vote last election	Vote next election	Decline in votes
Nepali Congress	32%	18%	44%	30%	15%	50%	26%	17%	35%
CPN-UML	26%	14%	46%	20%	9%	55%	23%	14%	39%
UCPN (Maoist)	9%	2%	78%	11%	2%	82%	16%	3%	81%
Total	***100%***	***100%***		***100%***	***100%***		***100%***	***100%***	

RPP-N has been the most successful in recruiting voters who chose other parties last time around. Only 65% of those who say they will vote for RPP-N in the next election said they voted for them last time with 20% saying they voted for other parties (Table 7.6). Comparing this result to IRM-1, RPP-N appears to be gaining in popularity. Seven percent of those who say they will vote for CPN-UML voted for other parties in the last election. The figure is 4% for future Nepali Congress voters, 5% for RPP voters, 8% for NMKP voters, and 2% for UCPN (Maoist) voters.

Table 7.6: Past political preferences – by intended future votes (IRM-2)

		If an election was to be held soon, which party would you vote for? (IRM-2)										Total
		Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	
Voted for in last election (IRM-2)	**Nepali Congress**	91%	4%	1%	5%	0%	0%	19%	0%	13%	23%	30%
	CPN-UML	1%	88%	1%	10%	5%	0%	17%	8%	15%	18%	22%
	UCPN (Maoist)	3%	3%	90%	5%	0%	0%	8%	0%	8%	11%	10%
	RPP-N	0%	0%	0%	65%	0%	0%	0%	0%	0%	0%	1%
	RPP	0%	0%	0%	0%	84%	0%	1%	0%	0%	1%	1%
	MJF-Nepal	0%	0%	0%	0%	0%	100%	1%	0%	0%	0%	0%
	Did not vote	4%	4%	5%	15%	5%	0%	49%	0%	7%	17%	14%
	NMKP	0%	0%	0%	0%	0%	0%	2%	92%	1%	1%	1%
	Refused	0%	0%	0%	0%	5%	0%	3%	0%	53%	7%	8%
	Don't know	0%	0%	2%	0%	0%	0%	2%	0%	2%	21%	12%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***

While the above tables provide aggregate level changes, results from the panel data, which track responses of the same individuals over different time periods, better capture the change in preferences. Table 7.7 presents a cross tabulation of responses to the question about which political party people would choose if an election were held for the two time periods. The table is based on 1,558 individuals across the 11 districts who were surveyed in both IRM-1 and IRM-2.

The analysis provides further evidence that people who claimed to support the Maoist party in IRM-1 are skeptical in IRM-2. Fifty-seven percent of respondents who said in IRM-1 that they would support the Maoist party in the next election now say they don't know who they would vote for. Next in line are voters supporting NMKP and the Nepali Congress, although the sample size for NMKP supporters is extremely small (only two individuals).

Table 7.7: Who people will vote for based on current preferences – individual panel data (IRM-1/IRM-2 comparison)

		If an election was to be held soon, which party would you vote for? (IRM-2)										
		Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know	*Total*
If an election was to be held soon, which party would you vote for? (IRM-1)	**Nepali Congress**	42%	4%	1%	0%	0%	0%	4%	0%	4%	45%	*100%*
	CPN-UML	5%	46%	3%	0%	0%	0%	3%	0%	7%	37%	*100%*
	UCPN (Maoist)	4%	4%	22%	2%	0%	0%	7%	0%	4%	57%	*100%*
	RPP-N	10%	0%	0%	40%	0%	10%	0%	0%	0%	40%	*100%*
	RPP	17%	0%	8%	0%	25%	0%	8%	0%	8%	33%	*100%*
	NMKP	0%	0%	0%	0%	0%	0%	0%	50%	0%	50%	*100%*
	Will not vote	8%	3%	0%	2%	0%	0%	14%	0%	10%	63%	*100%*
	Refused	16%	12%	4%	0%	0%	0%	6%	1%	10%	50%	*100%*
	Don't know	13%	9%	2%	1%	1%	0%	5%	0%	9%	60%	*100%*
	Total	***16%***	***11%***	***3%***	***1%***	***1%***	***0%***	***5%***	***0%***	***8%***	***55%***	***100%***

Is there evidence in the panel data that people have shifted their support from the big three parties to RPP-N as the earlier findings suggest? Table 7.8 presents the column total cross-tabulation of the same question: who would the respondent vote for if an election were to be held soon. Looking at the RPP-N column in the table, we find that 9% of respondents had preferred UCPN (Maoists) in IRM-1, 9% had stated they would not vote, and 45% had responded they did not know. In contrast to UCPN (Maoist) voters, there has not been a move to RPP-N from those who previously said they would vote for Nepali Congress or CPN-UML.

Table 7.8: Who people will vote for based on past preferences – individual panel data (IRM-1/IRM-2 comparison)

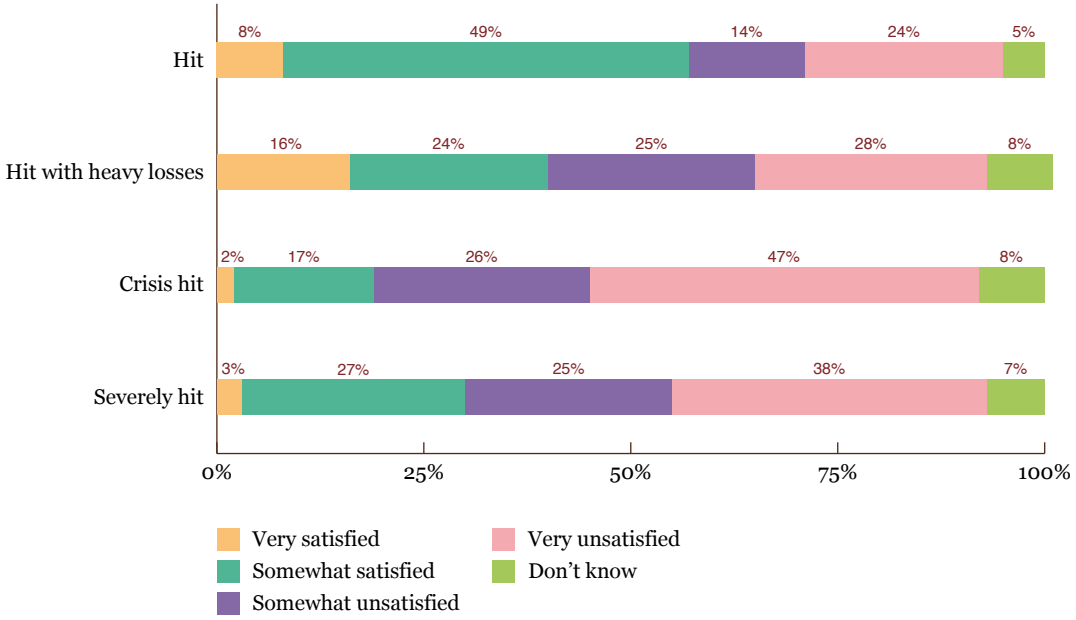
		If an election was to be held soon, which party would you vote for? (IRM-2)									
		Nepali Congress	CPN-UML	UCPN (Maoist)	RPP-N	RPP	MJF-Nepal	Will not vote	NMKP	Refused	Don't know
If an election was to be held soon, which party would you vote for? (IRM-1)	**Nepali Congress**	33%	5%	4%	0%	0%	0%	9%	0%	5%	10%
	CPN-UML	2%	30%	6%	0%	0%	0%	4%	0%	6%	5%
	UCPN (Maoist)	1%	1%	24%	9%	0%	0%	5%	0%	2%	4%
	RPP-N	0%	0%	0%	36%	0%	50%	0%	0%	0%	0%
	RPP	1%	0%	2%	0%	27%	0%	1%	0%	1%	0%
	Will not vote	2%	1%	0%	9%	0%	0%	11%	0%	5%	5%
	NMKP	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%
	Refused	17%	17%	22%	0%	9%	0%	18%	29%	19%	15%
	Don't know	44%	46%	42%	45%	64%	50%	52%	57%	62%	61%
	Total	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***	***100%***

7.2 Satisfaction with local political parties

Satisfaction with the role of political parties in the aid response is low. Only 32% of respondents in IRM-2 are satisfied with local political parties with 61% dissatisfied.

People in more affected districts are less likely to be satisfied with political parties than those in areas which did not see as large impacts. Whereas 57% of people in Syangja (the hit district) and 40% of people in the hit with heavy losses districts (Lamjung and Solukhumbu) say they are satisfied, the figure drops to 30% for severely hit districts and 19% for crisis hit districts (Figure 7.3). This increasing dissatisfaction in higher impact areas highlights the challenge faced by parties in addressing mass expectations in an environment where aid flows have diminished while urgent needs remain. It also reflects a positive tendency among people to hold political parties accountable for providing and managing disaster relief.

Figure 7.3: Satisfaction with local political parties – by district impact (IRM-2)



There is variation between districts within impact categories in satisfaction with political parties' role in aid delivery (Table 7.9). Amongst the severely hit districts, there is less dissatisfaction in Ramechhap and Nuwakot than in the other districts. For hit with heavy losses districts, people are much more likely to be satisfied in Solukhumbu, which has received significant amounts of aid, than in Lamjung.

Indeed, the level of aid provided appears to be an important determinant of levels of satisfaction. More people have received aid in Ramechhap and Nuwakot compared to most other severely hit districts, although aid coverage was also wide in Sindhupalchowk (Table 4.1 above) where satisfaction is lower. In Solukhumbu, 95% of people have received aid compared to 47% in Lamjung.

Table 7.9: Satisfaction with local political parties – by district (IRM-2)

	How satisfied or unsatisfied you are with local political parties?					
	Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	*Total*
Severely hit	**3%**	**27%**	**25%**	**38%**	**7%**	***100%***
Dhading	1%	20%	11%	66%	2%	***100%***
Gorkha*	3%	21%	23%	49%	4%	***100%***

	How satisfied or unsatisfied you are with local political parties?					
	Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	*Total*
Nuwakot	3%	26%	31%	25%	15%	***100%***
Ramechhap	4%	39%	33%	18%	5%	***100%***
Sindhupalchowk	5%	28%	25%	36%	7%	***100%***
Crisis hit	**2%**	**17%**	**26%**	**47%**	**8%**	***100%***
Bhaktapur	1%	17%	14%	57%	10%	***100%***
Kathmandu*	2%	16%	23%	53%	5%	***100%***
Okhaldhunga	2%	17%	43%	29%	9%	***100%***
Hit with heavy losses	**16%**	**24%**	**25%**	**28%**	**8%**	***100%***
Solukhumbu	30%	21%	15%	23%	11%	***100%***
Lamjung	1%	26%	34%	33%	5%	***100%***
Hit	**8%**	**49%**	**14%**	**24%**	**5%**	***100%***
Syangja	8%	49%	14%	24%	5%	***100%***

*1% refused to respond

How are levels of satisfaction with political parties changing?

Dissatisfaction with political parties has increased over the past year. Comparing responses for those who were interviewed in both IRM-1 and IRM-2, it is clear that people are less happy with parties. Among those who were very satisfied in IRM-1, 72% now state dissatisfaction; 57% who said they were somewhat satisfied in IRM-1 now express dissatisfaction. Only 30% or less of respondents who expressed dissatisfaction earlier mention that they are now satisfied with local political parties (Table 7.10).

Table 7.10: Satisfaction with local political parties – individual panel data (IRM-1/IRM-2 comparison)

		How satisfied or unsatisfied are you with local political parties? (IRM-2)					*Total*
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	
How satisfied or unsatisfied are you with local political parties? (IRM-1)	**Very satisfied**	11%	24%	38%	24%	3%	***100%***
	Somewhat satisfied	6%	32%	23%	34%	4%	***100%***
	Somewhat unsatisfied	3%	23%	30%	39%	5%	***100%***
	Very unsatisfied	4%	26%	22%	41%	6%	***100%***
	Refused	17%	17%	17%	50%		***100%***
	Don't know	2%	24%	20%	37%	16%	***100%***

Who is less likely to be satisfied with political parties?

Urban/rural. Levels of satisfaction with political parties are much lower in urban areas than rural ones. Seventy-two percent of people in urban areas say they are unsatisfied (with 52% of people saying they are very unsatisfied) compared to 57% in rural areas.

Gender. The difference by gender is negligible.

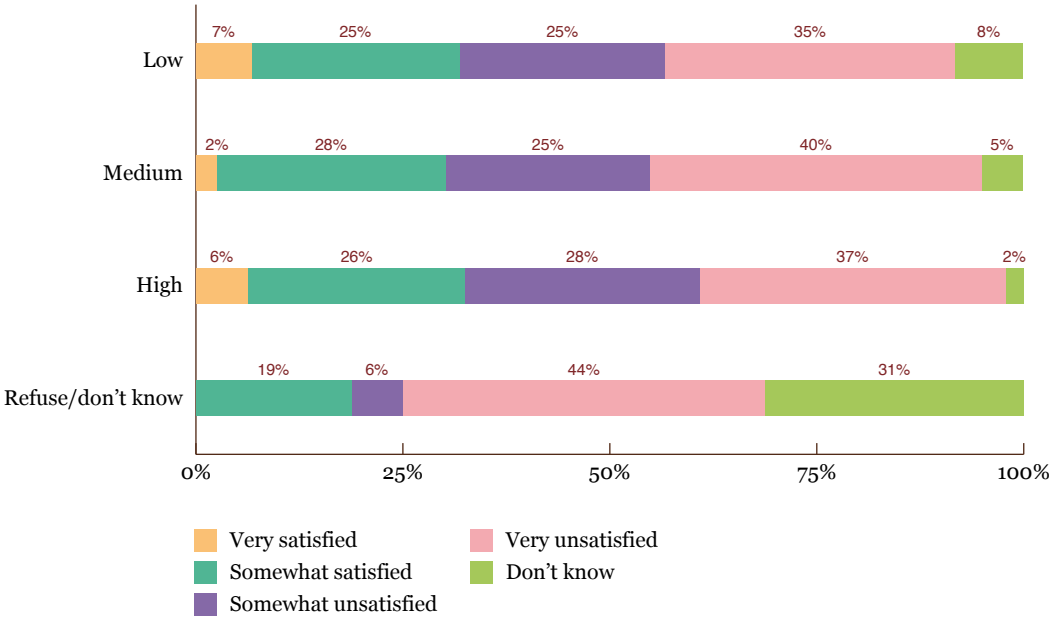
Disability. There are also not substantive differences in levels of satisfaction between those with disabilities and the non-disabled. Although 32% of respondents with no disability report satisfaction with local parties, compared to only 26% respondents with disabilities, the dissatisfaction proportion is similar. However, the level of uncertainty among those with disabilities is 5 percentage points higher.

Caste. Lower caste respondents are more satisfied with political parties than high caste or Janajatis. Sixty-six percent of high caste respondents and 61% of Janajatis express dissatisfaction with local political parties, compared to 53% of lower caste respondents.

Income. Richer people are more likely to be dissatisfied with local political parties than poorer ones. Each respondent's pre-earthquake monthly income was coded as being either low (less than NPR 10,000), medium (NPR 10,000-19,999), or high (NPR 20,000

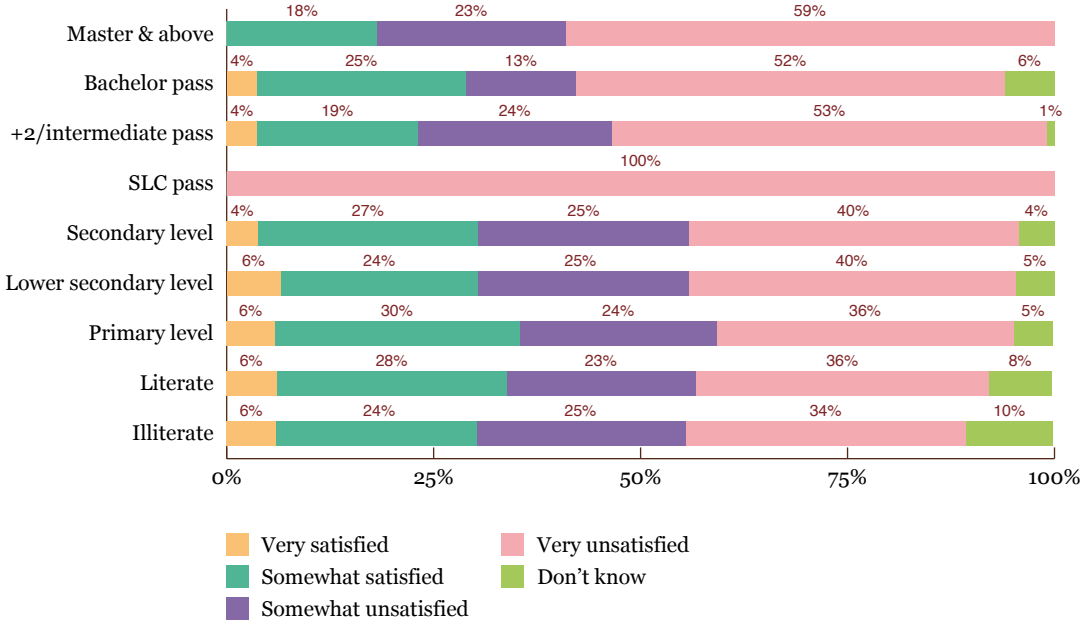
or more). Overall, 41% of respondents are in the low income group, 43% in the medium income group, and the 14% in the high income group.[52] Figure 7.4 shows that people in the medium and high income groups are slightly more dissatisfied (65% in both).

Figure 7.4: Satisfaction with local political parties – by income band (IRM-2)



Education level. Those who are dissatisfied are more likely to have higher levels of education (Figure 7.5). Over 80% of those with a post-graduate education report being dissatisfied with local political parties and almost 60% of the same group report dissatisfaction with the central government's aid response.

Figure 7.5: Satisfaction with local political parties – by education level (IRM-2)



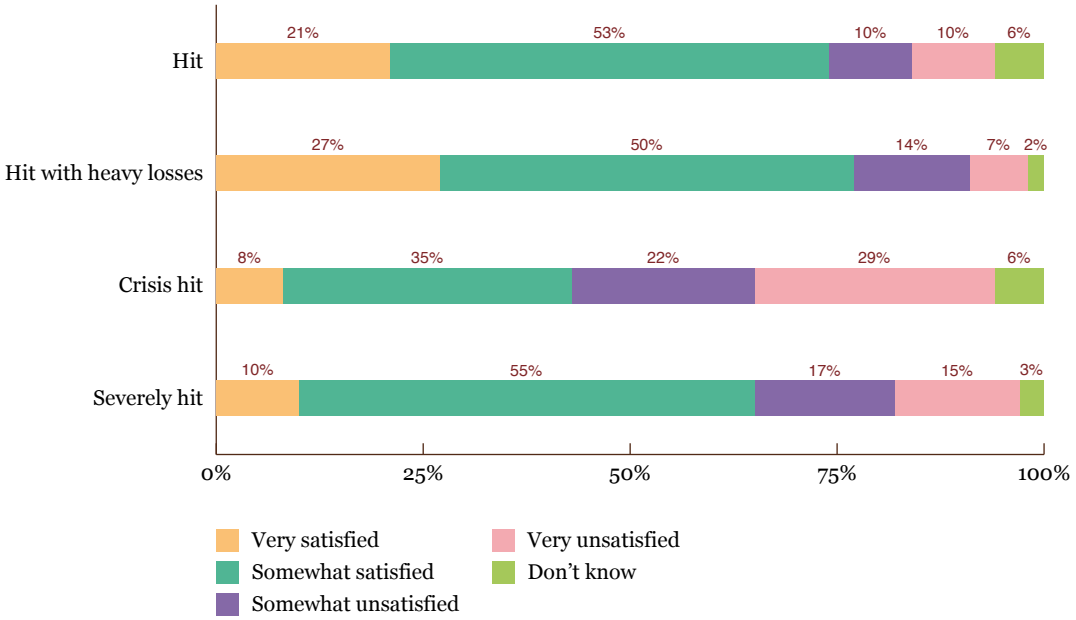
[52] 1% of respondents refused to state their income level.

7.3 Satisfaction with the central government

In contrast to attitudes towards political parties, more people express satisfaction with the central government's aid response. Fifty-three percent of people say they are satisfied while 34% are dissatisfied.

However, patterns are similar to those of attitudes towards local parties when analyzing by earthquake impact levels. People in higher impact districts are more likely to be dissatisfied than those in lower impact districts (Figure 7.6). Thirty-two percent of respondents in severely hit areas and 51% in crisis hit areas report dissatisfaction with the central government. In contrast, only 21% in hit with heavy losses districts and 20% in the hit district report dissatisfaction with the central government

Figure 7.6: Satisfaction with the central government – by district impact (IRM-2)



Again, there is substantial variation in satisfaction levels between districts within impact categories (Table 7.11). Amongst severely hit districts, only 14% in Ramechhap are unsatisfied compared with 46% in both Nuwakot and Gorkha. Dissatisfaction in Lamjung is far higher than in Solukhumbu. Ramechhap also saw lower levels of unhappiness with the aid role of political parties than other severely hit districts and received high levels of aid coverage. Similarly, Solukhumbu received far wider coverage of aid than Lamjung. However, aid coverage was wide in Nuwakot (98%), showing that other factors also matter in determining people's perceptions of the central government. Indeed, Nuwakot was *more* likely to get aid from the government than all other severely hit districts except Ramechhap (see Table 4.9 above). The highest level of dissatisfaction with the central government is in Kathmandu, perhaps unsurprising given that people are more exposed to national politics there.

Table 7.11: Satisfaction with the central government – by district (IRM-2)

	How satisfied or unsatisfied are you with the central government?					
	Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	*Total*
Severely hit	**10%**	**55%**	**17%**	**15%**	**3%**	***100%***
Nuwakot	3%	48%	23%	23%	3%	***100%***
Ramechhap	16%	63%	10%	4%	7%	***100%***
Sindhupalchowk	16%	51%	19%	12%	2%	***100%***
Dhading	6%	65%	11%	16%	1%	***100%***
Gorkha	9%	46%	21%	24%	1%	***100%***
Crisis hit	**8%**	**35%**	**22%**	**29%**	**6%**	***100%***
Bhaktapur	2%	39%	23%	26%	10%	***100%***
Kathmandu	4%	29%	19%	46%	2%	***100%***
Okhaldhunga	19%	38%	23%	13%	7%	***100%***
Hit with heavy losses	**27%**	**50%**	**14%**	**7%**	**2%**	***100%***
Solukhumbu	40%	53%	4%	1%	1%	***100%***
Lamjung	13%	47%	25%	12%	3%	***100%***
Hit	**21%**	**53%**	**10%**	**10%**	**6%**	***100%***
Syangja	21%	53%	10%	10%	6%	***100%***

How are levels of satisfaction with the central government changing?

In contrast to attitudes towards political parties, satisfaction with the central government seems to be increasing one year after the earthquake. Using the panel data, which only includes respondents interviewed in both rounds, we see slight improvements. Fifty-five percent or more of respondents who reported they were either somewhat or very unsatisfied with the central government in IRM-1 expressed satisfaction with the central government in the IRM-2 (Table 7.12). Thirty-two percent of respondents in the satisfied category in IRM-1 are now somewhat or very dissatisfied.

Table 7.12: Satisfaction with the central government – individual panel data (IRM-1/IRM-2 comparison)

		How satisfied or unsatisfied are you with central government? (IRM-2)					*Total*
		Very satisfied	Somewhat satisfied	Somewhat unsatisfied	Very unsatisfied	Don't know	
How satisfied or unsatisfied are you with central government? (IRM-2)	**Very satisfied**	14%	53%	16%	16%	1%	***100%***
	Somewhat satisfied	15%	50%	17%	14%	3%	***100%***
	Somewhat unsatisfied	13%	45%	19%	19%	3%	***100%***
	Very unsatisfied	7%	48%	21%	22%	2%	***100%***
	Refused	0%	100%	0%	0%	0%	***100%***
	Don't know	16%	49%	12%	16%	8%	***100%***

Who is less likely to be satisfied with the central government?

Urban/rural. As with political parties, levels of satisfaction with the central government are lower in urban areas than rural ones. Forty-three percent in the former are satisfied, compared with 65% in the latter.

Gender. There is almost no difference in levels of satisfaction between men and women.

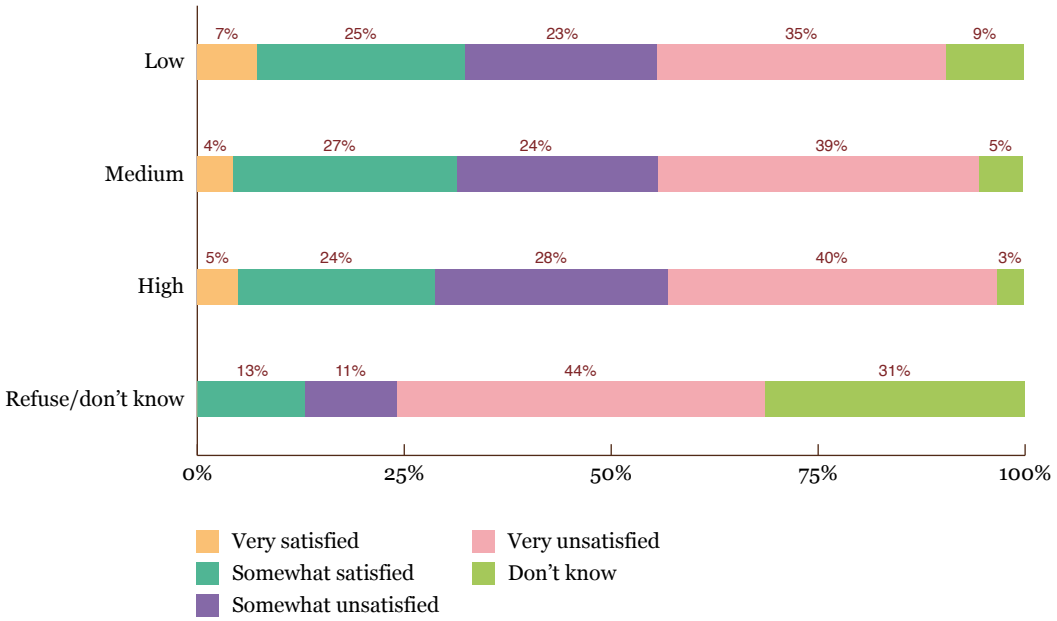
Disability. There are no real differences in satisfaction levels between those who have disabilities and those who do not: 61% of the former are satisfied, compared to 62% of those without disabilities.

Caste. As with political parties, lower caste respondents are more satisfied. While 35% of high caste and

34% of Janajatis report dissatisfaction with the central government, only 26% of lower caste people say that they are dissatisfied.

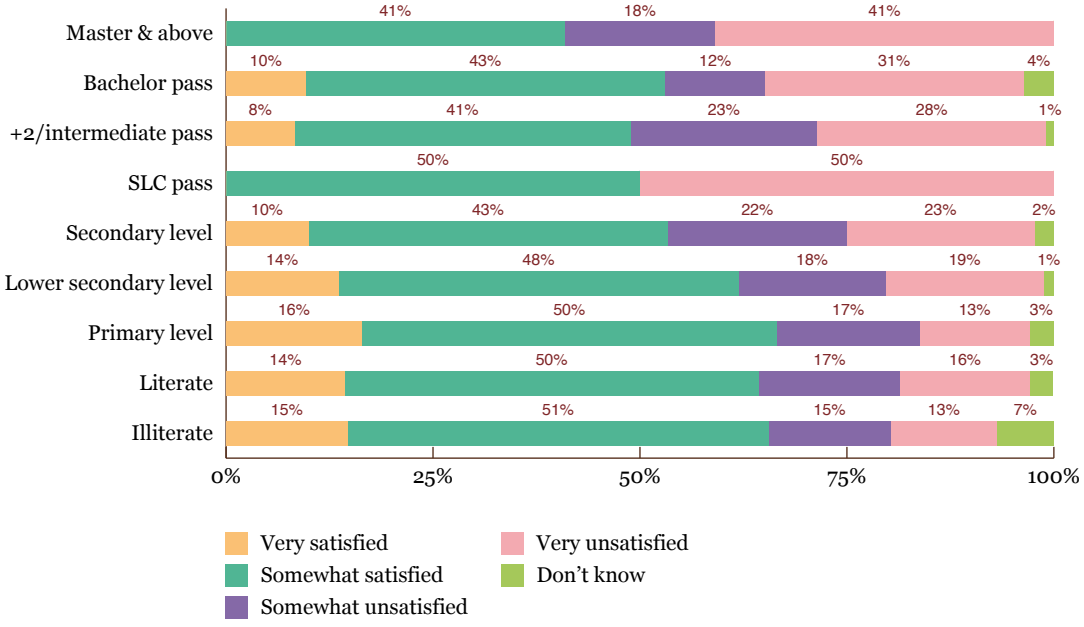
Income. Again, people with higher income levels report a higher degree of dissatisfaction (Figure 7.7). In the low income group, 58% are dissatisfied, compared to 63% with medium income and 68% with high income.

Figure 7.7: Satisfaction with central government – by income (IRM-2)



Education level. As with political parties, those with higher levels of education are less likely to be satisfied with the central government (Figure 7.8).

Figure 7.8: Satisfaction with central government – by education level (IRM-2)



7.4 Have Constituent Assembly members visited areas?

Political attitudes are shaped not only by socio-economic factors and people's political awareness, but also by the responsiveness and actions of political parties and representatives. In IRM-1, more than 70% of people reported that Constituent Assembly (CA) members had not visited their areas since the earthquakes.

IRM-2 followed up by asking if CA members had visited their area since the beginning of the 2015 monsoon. Seventy-four percent of people in both severely hit areas and crisis hit areas reported that they had not visited (Table 7.13). This figure is higher than that in IRM-1. Those in less affected areas are more likely to have received a visit. Only 51% in hit with heavy losses and 44% respondents in hit areas reported that politicians had not visited their area.

The fact that CA members are not visiting those areas most affected may be a reason for rising frustrations with political leadership amongst people in the more severely impacted areas.

Table 7.13: Share of people saying CA member has visited their area – by district impact and district (IRM-2)

	Visited a lot	Visited once or twice	Have not visited	Don't know	*Total*
Severely hit	**1%**	**15%**	**74%**	**11%**	***100%***
Dhading	0%	8%	86%	5%	***100%***
Gorkha	1%	25%	63%	11%	***100%***
Nuwakot	0%	12%	66%	21%	***100%***
Ramechhap	2%	16%	73%	9%	***100%***
Sindhupalchowk	0%	12%	81%	6%	***100%***
Crisis hit	**1%**	**14%**	**74%**	**11%**	***100%***
Bhaktapur	1%	9%	76%	14%	***100%***
Kathmandu	1%	10%	80%	8%	***100%***
Okhaldhunga	1%	24%	65%	10%	***100%***
Hit with heavy losses	**2%**	**27%**	**51%**	**21%**	***100%***
Solukhumbu	2%	46%	28%	24%	***100%***
Lamjung	1%	8%	74%	17%	***100%***
Hit	**5%**	**41%**	**44%**	**10%**	***100%***
Syangja	5%	41%	44%	10%	***100%***

Chapter 8. Social Relations and Violence

Photo: Chiran Manandhar

In IRM-1, conducted shortly after the disaster, 83% of respondents said they felt safe in their communities and only 3% reported violent incidents in their communities. However, despite the high perceptions of security and low levels of violence, the study noted the potential for a rise in social conflict and tensions in the longer run. This could occur if dissatisfaction and grievances with political institutions hardened in the absence of sufficient aid.[53] It could also occur if a lack of equitable distribution, or ineffective targeting, led to heightened perceptions of unfairness, in particular in less affected districts which received less aid. One year on from the earthquake, do we continue to witness dissatisfaction among people? How does this affect social cohesion?

Key findings:

Safety and security

- Feelings of safety have improved since IRM-1 and reported levels of violence are very low.
- Respondents in rural areas feel safer compared to those in urban areas. People living in self-constructed shelters on public land or who are renting feel the most unsafe.

Trust and social cohesion

- People tend to trust their friends, neighbors and relatives, along with those of the same religion, the most. Very few people say that most people can be trusted.
- Most people feel that community members can cooperate with each other to deal with problems. However, people in the most affected districts are less likely to agree.

Fairness and grievances with aid distribution

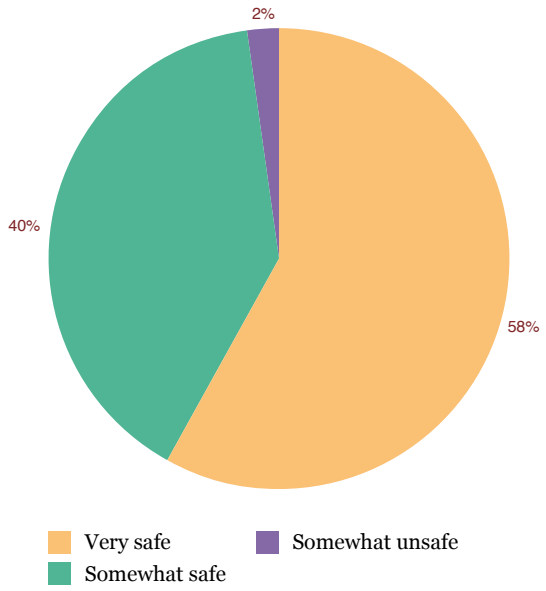
- Eighty-nine percent of respondents feel that people of every caste, religion, and ethnicity are equally able to receive aid according to their needs. Dalits are far less likely than other groups to agree with this.
- There is a large increase from IRM-1 in the share of people who think that VDCs/municipalities are distributing aid fairly. Those in severely hit districts are the most likely to feel aid distribution has been fair. Those in crisis hit districts, which have received much less aid despite high needs, are the least likely to agree.

[53] The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 77.

- Dalits are more likely to feel aid distribution by VDCs/municipalities has been fair. This suggests that there are other structural barriers to them receiving aid. Those with low income and lower education are the most likely to feel aid distribution has been fair.
- Those whose house was fully or partially damaged are more likely to feel aid distribution has been fair.

8.1 Safety and security

Figure 8.1: How safe and secure do you feel now in your community? (IRM-2)



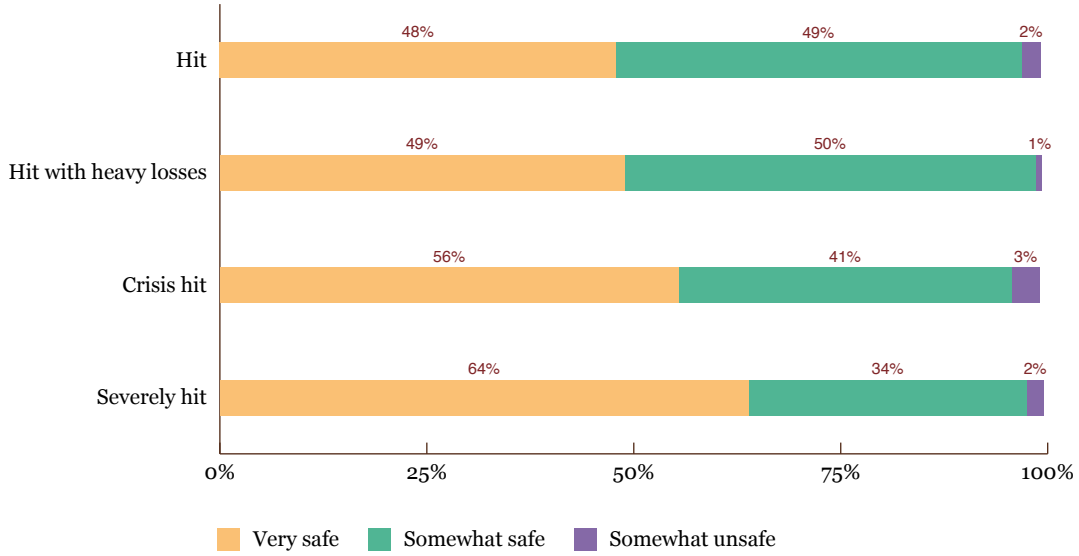
How safe and secure do you feel now in your community?

Feelings of safety have improved since IRM-1. Whereas 83% of respondents in IRM-1 reported feeling safe in their communities, this has increased to 97% of IRM-2 respondents. Only 2% report feeling unsafe (Figure 8.1).

Variation in perceptions of safety

People in severely hit districts report feeling safer compared to other areas (Figure 8.2). However, the difference across different categories of earthquake impact is minimal.

Figure 8.2: How safe and secure do you feel now in your community? – by district impact (IRM-2)



While almost all people in every district feel safe, there is variation in the extent to which people feel safe (Table 8.1). The highest proportions (4%) of respondents reporting feeling unsafe are in Kathmandu, Bhaktapur, Okhaldhunga, and Sindhupalchowk.

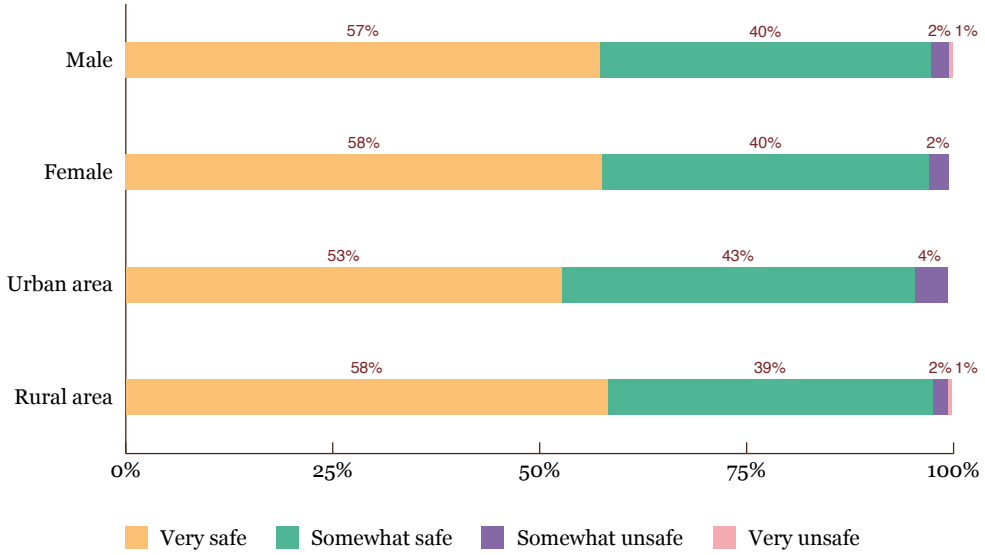
Table 8.1: How safe and secure do you feel now in your community? – by district impact and district (IRM-2)

	How safe and secure do you feel now in your community?					Total
	Very safe	Somewhat safe	Somewhat unsafe	Very unsafe	Don't know	
Severely hit	**64%**	**34%**	**2%**	0%	0%	***100%***
Dhading	75%	23%	1%	1%	0%	***100%***
Gorkha	59%	39%	3%	0%	0%	***100%***
Nuwakot	42%	55%	3%	0%	0%	***100%***
Ramechhap	67%	32%	1%	0%	0%	***100%***
Sindhupalchowk	76%	20%	3%	1%	0%	***100%***
Crisis hit	**55%**	**40%**	**3%**	**1%**	0%	***100%***
Bhaktapur	45%	50%	4%	0%	1%	***100%***
Kathmandu	50%	46%	4%	0%	0%	***100%***
Okhaldhunga	72%	25%	3%	1%	0%	***100%***
Hit with heavy losses	**49%**	**50%**	**1%**	0%	0%	***100%***
Lamjung	44%	54%	1%	1%	0%	***100%***
Solukhumbu	54%	45%	0%	0%	1%	***100%***
Hit	**48%**	**49%**	**2%**	0%	**1%**	***100%***
Syangja	48%	49%	2%	0%	1%	***100%***

Urban/rural. Respondents living in rural areas are more likely to feel safe than those in urban areas (Figure 8.3). Perceptions of safety do not vary much by level of remoteness. Three percent of people living less than one hour away from the district headquarter felt unsafe. For all other categories of remoteness (1-3 hours away; 3-6 hours away; more than 6 hours away), 2% felt unsafe.

Gender, caste, and disability. As with IRM-1, responses on safety and security do not vary between men and women (Figure 8.3). There is also no substantive variation when disaggregating perceptions of safety by caste or disability.

Figure 8.3: How safe and secure do you feel now in your community? – by gender and urban/rural (IRM-2)



Current shelter. Concerns about safety and security are more closely linked to the type of shelter people are living in now (Table 8.2). Those living in temporary shelters, especially those on public land, are more likely to feel unsafe, along with those renting their homes.

Table 8.2: How safe and secure do you feel now in your community? – by current shelter (IRM-2)

Where are you living now?	Very safe	Somewhat safe	Somewhat unsafe	Very unsafe	*Total*
Own house	53%	44%	2%	0%	***100%***
Neighbor's house	44%	53%	0%	3%	***100%***
Friend's house	67%	33%	0%	0%	***100%***
Self-constructed shelter on own land	64%	34%	2%	0%	***100%***
Self-constructed shelter on other people's land	68%	28%	4%	0%	***100%***
Self-constructed shelter on public land	58%	33%	8%	0%	***100%***
Community shelter	67%	33%	0%	0%	***100%***
Rent	60%	27%	7%	7%	***100%***

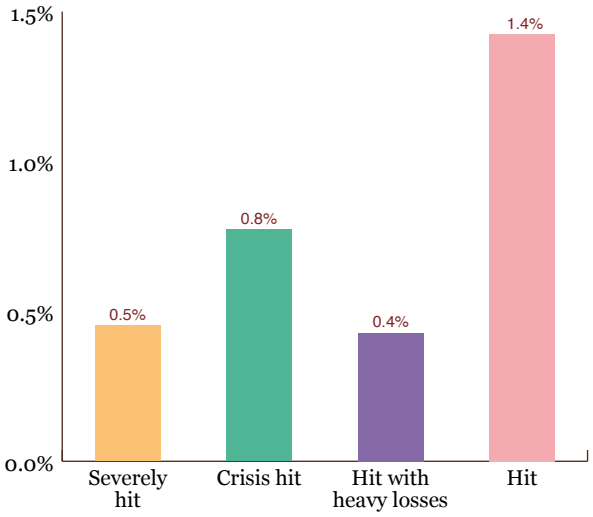
How much violence has occurred?

There has been an absence of violence in earthquake-affected areas. Ninety-nine percent of people report that there have been no violent incidents in their community since the beginning of the 2015 monsoon. Violence is most likely to be reported in the least affected (hit) district of Syangja. In contrast, only 0.5% in severely hit districts report that a violent incident has occurred (Figure 8.4). There is little variation across districts.

These figures are much smaller compared to the findings in IRM-1, but the pattern is similar. In IRM-1, respondents in lower impact districts also reported more violence in their community. However, unlike the previous study, the proportions of people reporting violence in urban and rural areas have converged in this survey (0.6% in rural areas and 0.7% in urban areas). In IRM-1, 4% of respondents in urban areas reported violence, compared to 2% in rural areas.

Where people report that violence has occurred, they were asked whether the crime rate has changed in their municipality. Forty-six percent said it has increased, one-quarter that it has stayed the same, and 17% that it had fallen. However, it should be emphasized that this data is only for the one percent who said violence had occurred.

Figure 8.4: Violence reported in community since the monsoon – by district impact (IRM-2)



8.2 Trust and social cohesion

What is the level of trust in affected areas?

Respondents were asked about the level of trust within their communities.[54] They were asked whether they trusted everyone or just some groups within the community. Only 9% of respondents report that most people can be trusted (Table 8.3). Just over half say they trust their family members, friends, and neighbors, while 25% show trust along religious lines. The lower levels of trust are along ethnic (3%) and caste (9%) lines.

This distribution varies distinctly when disaggregating by impact levels. People in the least-affected hit district have the lowest level of trust (1%) for most people. In higher impact districts, trust is predominantly either along family and friends or religious lines. Trust along ethnic lines is low. It is likely that caste and religion are more defining feature for people in Nepal than ethnicity. When analyzing by district, the two districts that have the highest level of trust along religious lines are Bhaktapur and Dhading. People in urban areas trust along religious lines more. In contrast, trust is slightly higher along caste lines among those in rural areas.

Table 8.3: Trust – by district impact, district, and urban/rural (IRM-2)

	Most people can be trusted	People that I know (friends, family, neighbors)	People who belong to my caste	People who belong to my ethnicity	People who belong to my religion	Don't know	Refused	*Total*
Severely hit	**7%**	**53%**	**10%**	**4%**	**25%**	**2%**	**0%**	***100%***
Dhading	15%	35%	5%	2%	41%	3%	0%	***100%***
Gorkha	8%	54%	12%	1%	25%	0%	0%	***100%***
Nuwakot	1%	60%	15%	3%	21%	0%	0%	***100%***
Ramechhap	5%	65%	4%	1%	23%	2%	0%	***100%***
Sindhupalchowk	4%	51%	13%	14%	14%	4%	0%	***100%***
Crisis hit	**10%**	**50%**	**4%**	**2%**	**31%**	**2%**	**0%**	***100%***
Bhaktapur	2%	48%	3%	3%	40%	4%	1%	***100%***
Kathmandu	8%	63%	3%	1%	24%	1%	0%	***100%***
Okhaldhunga	19%	40%	6%	4%	30%	2%	0%	***100%***
Hit with heavy losses	**16%**	**45%**	**17%**	**2%**	**18%**	**3%**	**0%**	***100%***
Solukhumbu	29%	42%	15%	1%	10%	2%	0%	***100%***
Lamjung	3%	47%	18%	3%	25%	4%	0%	***100%***
Hit	**1%**	**70%**	**2%**	**2%**	**23%**	**1%**	**0%**	***100%***
Syangja	1%	70%	2%	2%	23%	1%	0%	***100%***
All districts	***9%***	***52%***	***9%***	***3%***	***25%***	***2%***	***0%***	***100%***
Rural area	**9%**	**52%**	**10%**	**3%**	**24%**	**2%**	**0%**	***100%***
Urban area	**4%**	**56%**	**3%**	**2%**	**32%**	**2%**	**1%**	***100%***

Are people willing to cooperate in their community?

To measure the level of cooperation, respondents were asked the following question: If public officials asked everyone to conserve water or share food because of some emergency, how likely is it that people in your community would cooperate?[55]

Table 8.4 reports responses. Analyzing the first two positive response categories (very likely and likely), the data show fairly high levels of cooperation. However, there are some exceptions. Three districts where cooperation levels are much lower are Bhaktapur (20%),

[54] These questions were not asked in IRM-1, hence assessment of changes over time cannot be made.

[55] This question was not included in IRM-1.

Ramechhap (18%), and Sindhupalchowk (15%), all in the top two earthquake impact categories.

Respondents in severely and crisis hit districts are less cooperative. Twelve and 13% of people in severely and crisis hit districts report that cooperation is unlikely, compared to 5% in the lower two impact category districts. The difference in cooperation levels across gender and education levels is negligible.

Table 8.4: If public officials asked everyone to conserve water or share food because of some emergency, how likely is it that people in your community would cooperate? – by district impact and district (IRM-2)

	Very likely	Likely	Unlikely	Very unlikely	Don't know	*Total*
Severely hit	**21%**	**65%**	**11%**	**1%**	**1%**	***100%***
Dhading	30%	63%	5%	0%	1%	***100%***
Gorkha	28%	59%	11%	0%	1%	***100%***
Nuwakot	8%	80%	11%	1%	1%	***100%***
Ramechhap	3%	78%	18%	0%	1%	***100%***
Sindhupalchowk	39%	45%	12%	3%	1%	***100%***
Crisis hit	**24%**	**57%**	**11%**	**2%**	**5%**	***100%***
Bhaktapur	26%	49%	17%	3%	6%	***100%***
Kathmandu	20%	59%	10%	3%	9%	***100%***
Okhaldhunga	27%	64%	7%	1%	1%	***100%***
Hit with heavy losses	**16%**	**77%**	**4%**	**1%**	**3%**	***100%***
Solukhumbu	22%	73%	2%	0%	3%	***100%***
Lamjung	10%	80%	6%	1%	2%	***100%***
Hit	**40%**	**54%**	**5%**	**0%**	**0%**	***100%***
Syangja	40%	54%	5%	0%	0%	***100%***

How does income level affect trust and cooperation?

Income level tends to affect the types of trust people have but not whether they think people in their village would cooperate or not. Those with the lowest and highest level of income are more likely to say that most people can be trusted (Table 8.5). Those with the lowest income are more likely to say those of their own caste can be trusted; as incomes get higher, this declines. In contrast, as income levels increase, people are more likely to say those of the same religion can be trusted.

Table 8.5: Trust – by income band (IRM-2)

Monthly income	Most people can be trusted	People that I know (friends, family, neighbors)	People who belong to my caste	People who belong to my ethnicity	People who belong to my religion	Refused	Don't know	*Total*
< NPR 2,500/month	17%	57%	12%	4%	7%	0%	4%	***100%***
NPR 2,501 - 9,999/ month	9%	55%	10%	3%	21%	0%	2%	***100%***
NPR 10,000 - 19,999/ month	8%	51%	9%	3%	27%	0%	2%	***100%***
NPR 20,000 - 39,999/ month	8%	49%	5%	3%	33%	0%	2%	***100%***
> NPR 40,000 / month	13%	47%	7%	0%	33%	0%	1%	***100%***
Refused	0%	100%	0%	0%	0%	0%	0%	***100%***
Don't know	2%	45%	2%	0%	41%	2%	8%	***100%***

There is no significant association between income level and perceptions about societal cooperation. This is unsurprising given that cooperation involves many people and hence the characteristics of any one individual are less important.

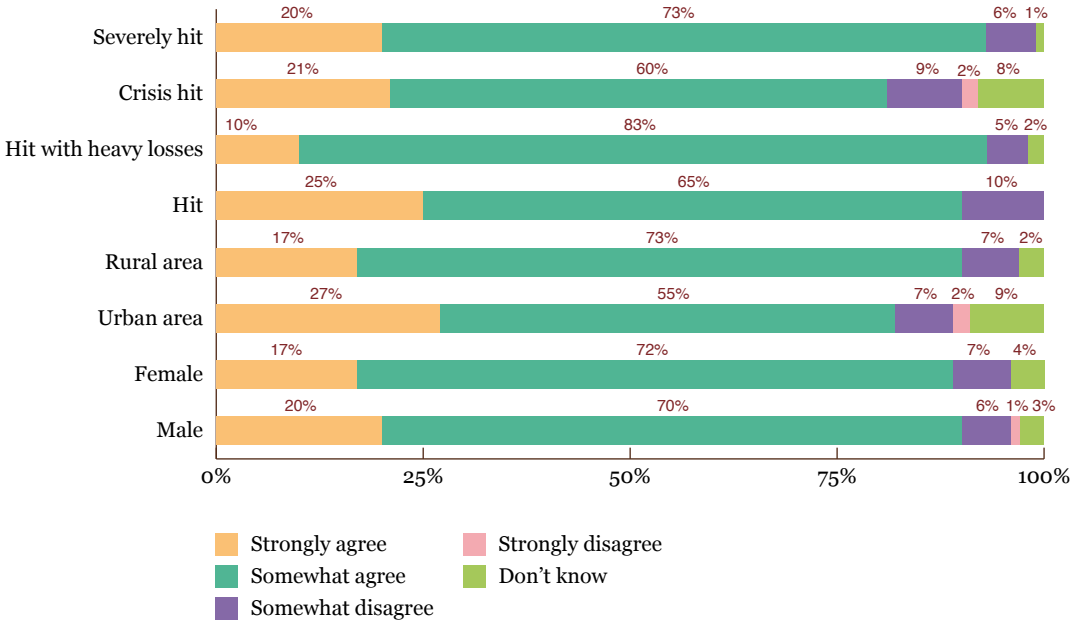
8.3 Sense of fairness and grievances with aid distribution

Sense of unfairness and grievances can be drivers of unrest and conflict. The survey asked whether people felt that people of every caste, religion, and ethnicity were equally able to receive aid according to their needs,[56] and whether aid was being distributed fairly by VDCs/municiplaities.

Equal access to aid

Overall, 89% agree that people of every caste, religion, and ethnicity are equally able to receive aid according to their needs. Across all areas, only 8% disagree. However, when disaggregated by impact levels, there is more substantial variation (Figure 8.5). Ten percent of respondents in hit and crisis hit districts say they disagree, compared to 6% in hit with heavy losses districts and severely hit districts. There is relatively little difference in the responses of people in urban and rural areas, although more people in urban areas say they do not know. There is little difference in the responses of men and women.

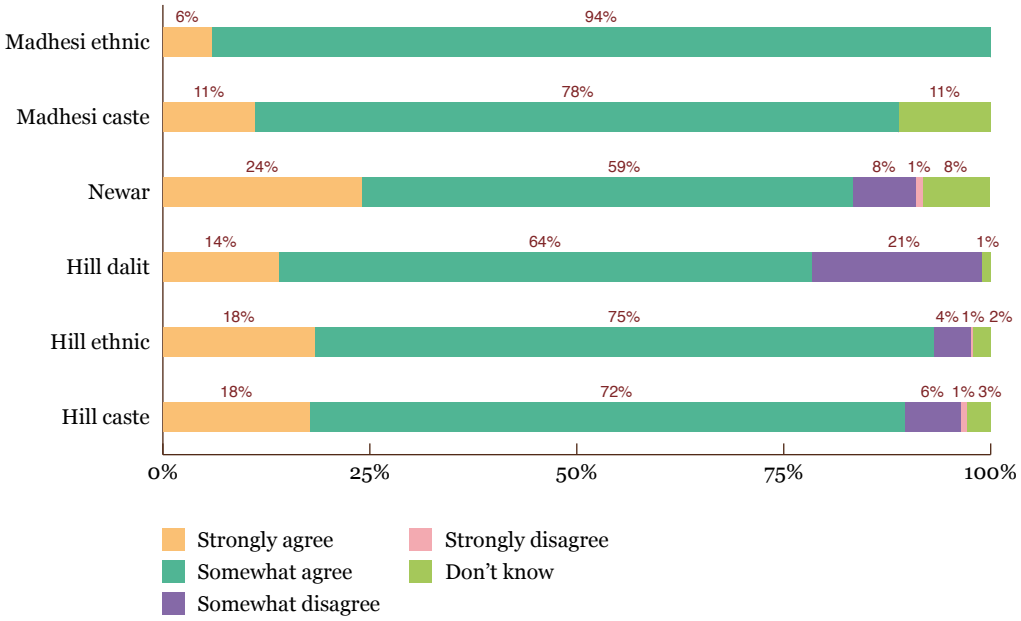
Figure 8.5: Do you think people of every caste, religion, and ethnicity are equally able to receive aid according to their needs? – by district impact, urban/rural, and gender (IRM-2)



There are substantive differences in perceived fairness amongst different castes. The highest proportion of respondents who do not agree are Dalits (21%) – Figure 8.6. In contrast, only 9% of Newars, 8% of hill castes, and 4% of hill ethnic groups think that people of every caste, religion and ethnicity have not received aid equally according to their needs.

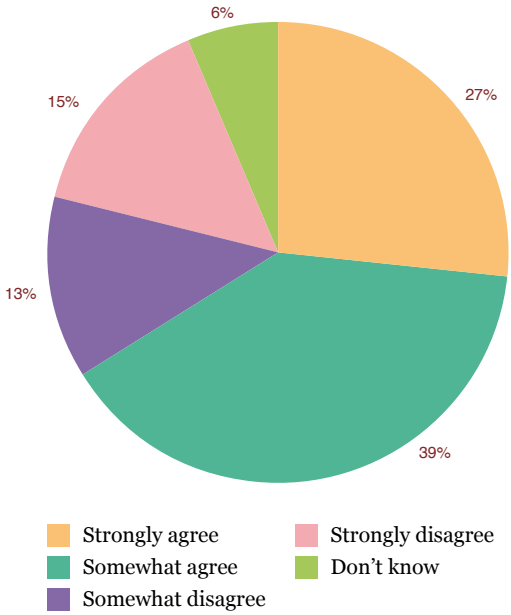
[56] The question was not asked in IRM-1.

Figure 8.6: Do you think people of every caste, religion, and ethnicity are equally able to receive aid according to their needs? – by ethnic group (IRM-2)



Is aid being distributed fairly by VDCs/municipalities?

Figure 8.7: Is aid being distributed by VDC/municipalities fairly? (IRM-2)



There is a large increase in the share of people who feel that aid is being distributed fairly by VDCs/municipalities. In IRM-1, 55% of people felt aid was being fairly distributed.[57] When asked if this was the case since the beginning of the 2015 monsoon, 66% agreed and 28% disagreed (Figure 8.7).

Those in severely hit districts were the most likely to feel aid is being distributed fairly while those in the crisis hit districts are the least likely (Table 8.6). This is likely because aid distribution has been very wide in severely hit districts (reaching 95% of people) whereas only around one-half of people in crisis hit districts have received aid, despite high levels of need there (see Chapter 4).

Among districts, respondents in Lamjung expressed the highest level of dissatisfaction, with 45% saying that aid was not distributed fairly.[58] Aid distribution has been particularly low in Lamjung, with 53% saying they have not received aid (Table 4.1 above).

[57] The Asia Foundation (2016). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 44.

[58] Lamjung is the district that borders with Gorkha, the epicenter of the first earthquake.

Table 8.6: Fair distribution by VDC/municipalities – by district impact and district (IRM-2)

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Refused	Don't know	*Total*
Severely hit	**34%**	**42%**	**12%**	**9%**	**0%**	**3%**	***100%***
Dhading	34%	38%	13%	10%	0%	5%	***100%***
Gorkha	33%	43%	9%	14%	0%	2%	***100%***
Nuwakot	35%	45%	11%	6%	0%	2%	***100%***
Ramechhap	27%	49%	15%	6%	0%	3%	***100%***
Sindhupalchowk	39%	35%	11%	10%	0%	5%	***100%***
Crisis hit	**14%**	**35%**	**14%**	**25%**	**0%**	**12%**	***100%***
Bhaktapur	12%	28%	13%	21%	1%	25%	***100%***
Kathmandu	4%	47%	16%	28%	1%	5%	***100%***
Okhaldhunga	27%	30%	13%	26%	0%	5%	***100%***
Hit with heavy losses	**30%**	**38%**	**13%**	**15%**	**0%**	**4%**	***100%***
Lamjung	10%	40%	20%	25%	0%	5%	***100%***
Solukhumbu	51%	37%	5%	4%	0%	3%	***100%***
Hit	**23%**	**41%**	**12%**	**13%**	**0%**	**11%**	***100%***
Syangja	23%	41%	12%	13%	0%	11%	***100%***

How has satisfaction with VDC/municipalities evolved over time?

To compare how the views of respondents have changed since IRM-1, Table 8.7 uses panel data for the 1,558 individuals who were asked about their satisfaction with VDC/municipalities in both rounds. Reported figures on satisfaction and dissatisfaction are aggregated figures (the category agree, for example, combines strongly agree and somewhat agree responses).

The data show that there have been greater improvements in perceptions of VDCs/municipalities in less affected districts. The views of respondents in the severely hit districts have remained the same (with 73% now saying VDCs/municipalities have performed well) and there is just a slight improvement in crisis hit districts. In contrast, lesser affected districts, especially Syangja, have seen more substantive increases in positive views. Only in Gorkha and, to a lesser extent Sindhupalchowk, Okhaldhunga, and Lamjung, has dissatisfaction with VDCs/municipalities increased.

Table 8.7: Fair distribution by VDC/municipalities – by district impact and district, individual panel data (IRM-1/IRM-2 comparison)

	IRM-1			IRM-2		
	Agree	Disagree	Refused/ Don't know	Agree	Disagree	Refused/ Don't know
Severely hit	**72%**	**24%**	**4%**	**73%**	**23%**	**3%**
Dhading	69%	28%	3%	68%	26%	6%
Gorkha	81%	15%	3%	73%	25%	2%
Nuwakot	66%	30%	4%	81%	18%	1%
Ramechhap	73%	25%	3%	74%	23%	3%
Sindhupalchowk	73%	20%	7%	74%	23%	4%
Crisis hit	**47%**	**45%**	**8%**	**51%**	**36%**	**13%**
Bhaktapur	36%	54%	9%	42%	31%	27%
Kathmandu	43%	48%	8%	52%	47%	2%
Okhaldhunga	60%	33%	8%	61%	36%	3%
Hit with heavy losses	**58%**	**35%**	**7%**	**63%**	**31%**	**6%**
Lamjung	56%	37%	7%	55%	38%	7%
Solukhumbu	63%	31%	6%	87%	12%	2%
Hit	**48%**	**27%**	**25%**	**72%**	**17%**	**11%**
Syangja	48%	27%	25%	72%	17%	11%

Photo: Amanda Gurung

What determines perceptions of whether aid is being distributed fairly by VDCs/municipalities?

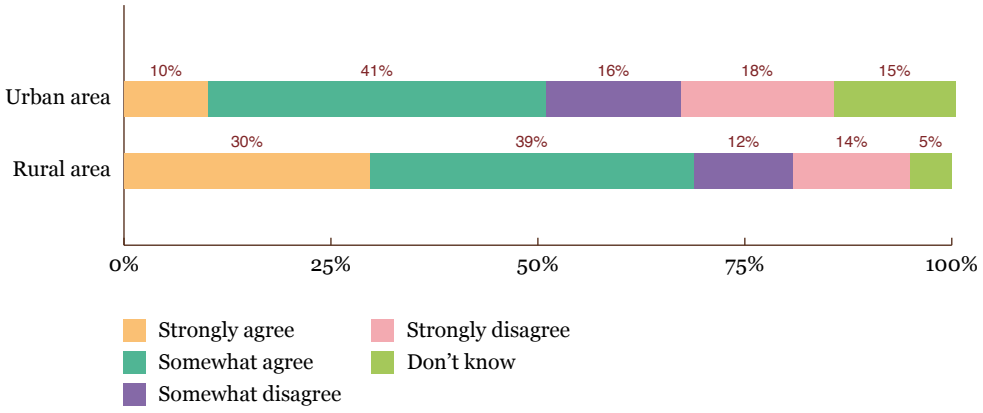
Urban/rural. People in urban areas are less satisfied with aid distribution by VDCs and municipalities than their counterparts in rural areas (Figure 8.8).

Gender. There is no difference in how men and women respond on how aid is being distributed.

Disability. Respondents with disabilities express a higher rate of uncertainty (12% said they did not know) compared to respondents with no disability (6%). Otherwise, there are not substantial differences.

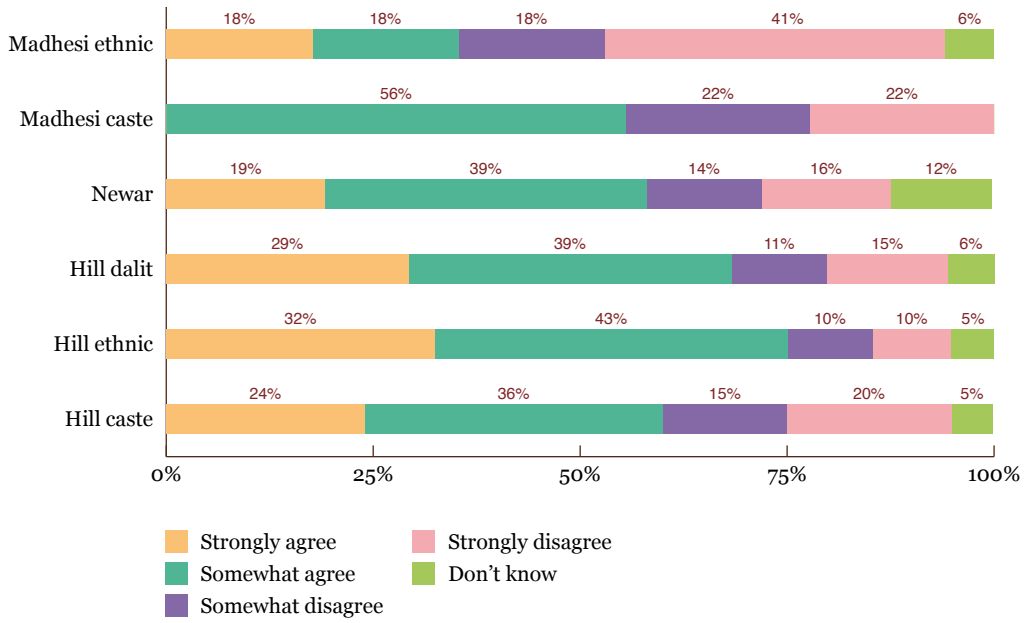
Caste. There is substantive variation of perceived unfairness among caste and ethnic groups.[59] Dalits and hill ethnic groups are most likely to agree that aid was distributed fairly (Figure 8.9). In contrast, only 36% of Madhesi ethnic, 56% Madhesi caste, 58% Newars, and 60% hill caste report that they agree that aid was distributed fairly after the monsoon. Given that lower caste groups are the least likely to feel all people can access aid, irrespective of their identity (Figure 8.6), this suggests that other factors beyond the VDC/municipality are responsible for perceptions of unequal access.

Figure 8.8: Fair distribution by VDC/municipalities – by urban/rural (IRM-2)



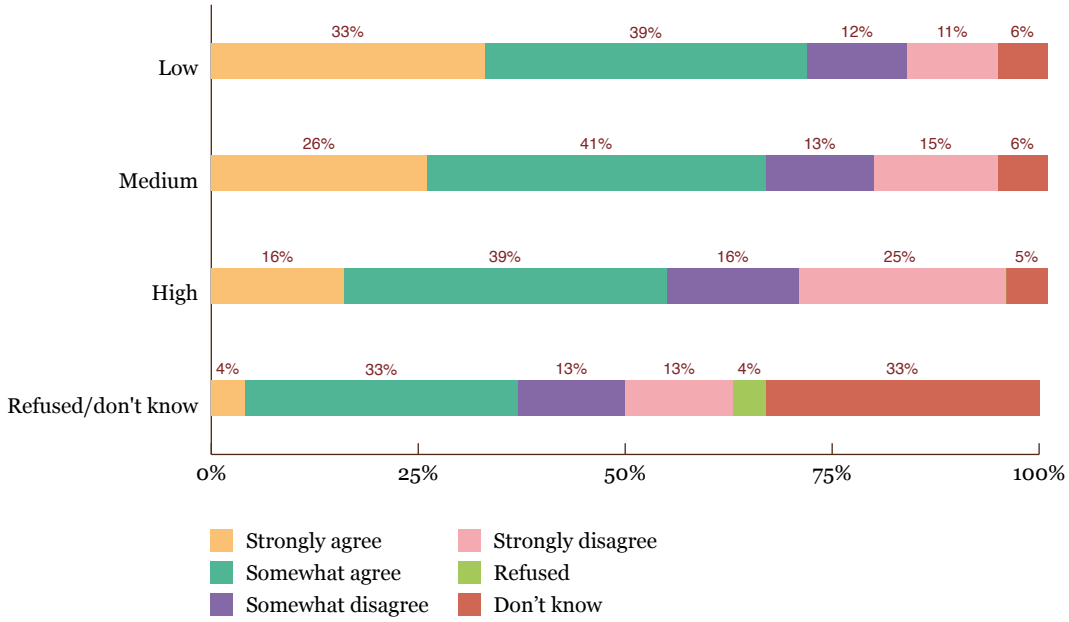
[59] There are five broad ethnic group categories: Madhesi ethnic, Madhesi caste, Newar, Hill Dalits, Hill ethnic, and Hill castes. Since all affected districts in the samples are hill districts, Madhesi respondents are low in number. For instance, there are only 17 respondents that are Hill ethnic (Tharu, Kumal, and Darai), nine respondents in the sample that are Hill caste category (Yadav, Bania, Hajam, Kanu), and three Muslim respondents (not reported in the figure). Among the hill category respondents, 1,352 respondents are Hill caste, which are the privileged caste groups (Bahun, Chhetri, Thakuri and Sanyasi), 1,544 respondents are Hill ethnic groups that are the indigenous castes or the Janajatis (Sherpa, Bhote, Thakali, Magar, Tamang, Rai, Gurung, Limbu, Gharti/Bhujel, Sunuwar, Chepang, Thami, Pahari, Chantyal, and Dura), 287 are Hill Dalits, and 641 are Newars.

Figure 8.9: Fair distribution by VDC/municipalities – by ethnic group (IRM-2)



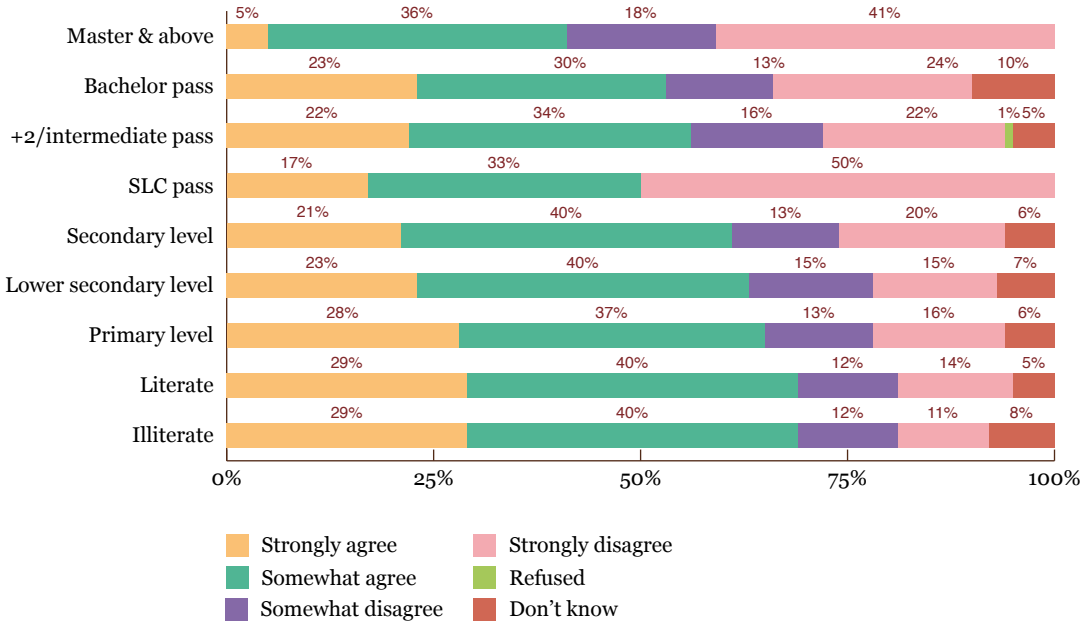
Income. Respondents with low income are the most likely to feel that aid has been distributed fairly (Figure 8.10).

Figure 8.10: Fair distribution by VDC/municipalities – by income band (IRM-2)



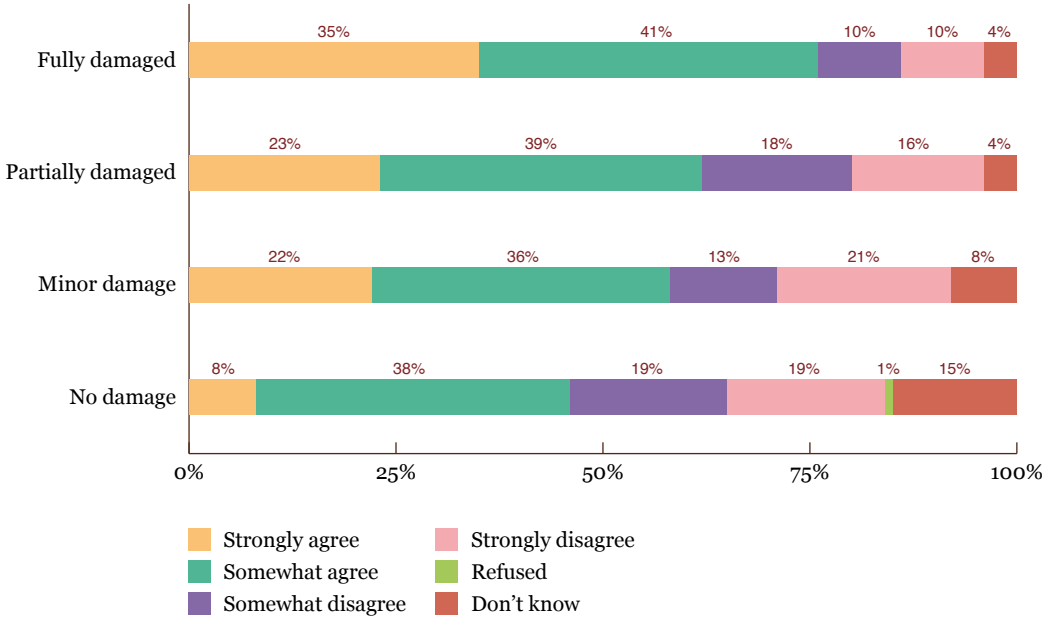
Education. As with attitudes towards the aid response of political parties and the central government (Chapter 7), those with higher levels of education are less likely to feel aid has been distributed fairly (Figure 8.11).

Figure 8.11: Fair distribution by VDC/municipalities – by education level (IRM-2)

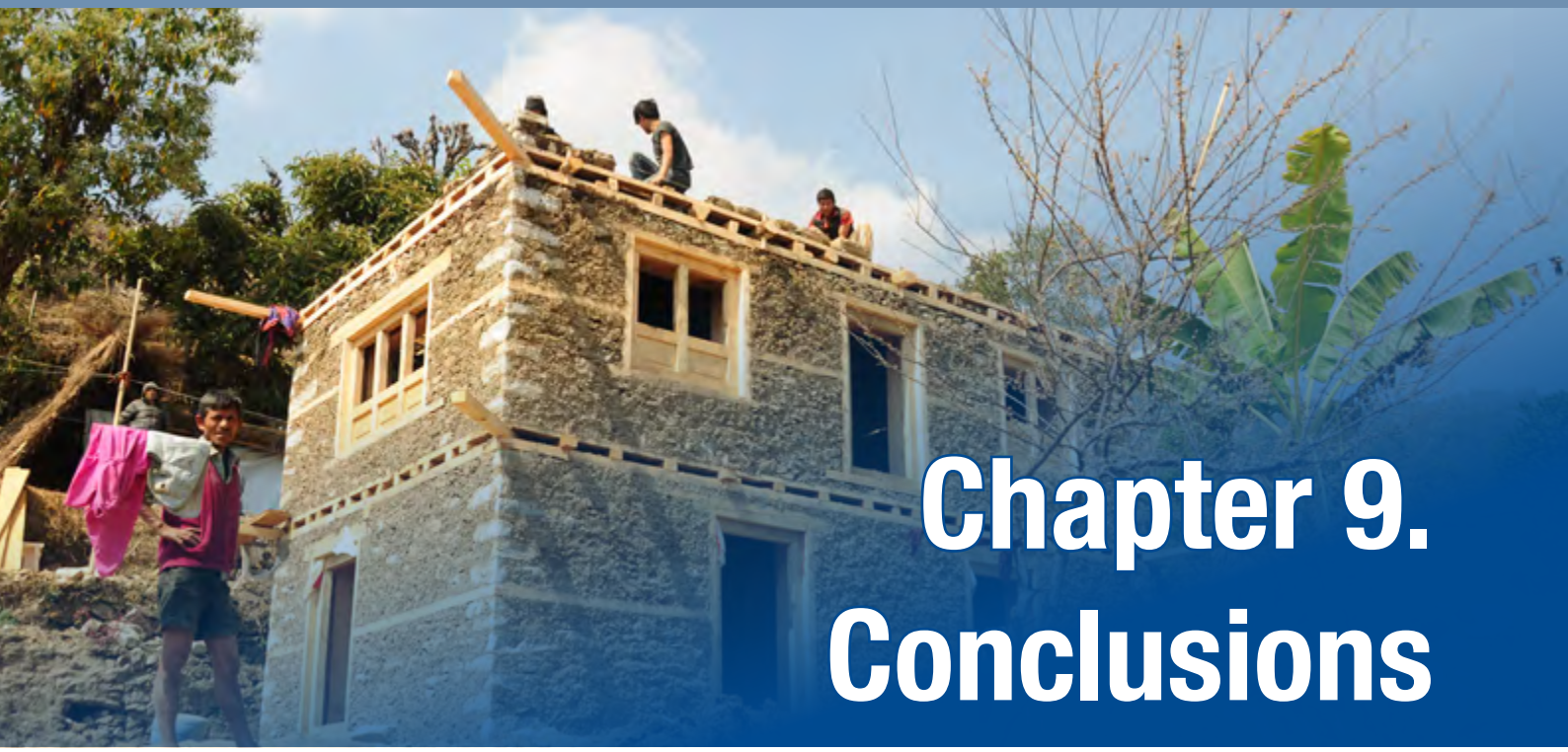


Housing damage. There is also significant variation when disaggregating responses by individuals' level of housing damage (Figure 8.12). On average, respondents whose houses were fully or partially damaged report higher level of satisfaction with aid distribution by VDCs/municipalities, compared to those living in houses with minor or no damage. This pattern is a continuation of that observed in the last survey.[60] It suggests that assessments of housing damage have been the major way in which aid has been targeted and that some people with other needs may be missing out as a result.

Figure 8.12: Fair distribution by VDC/municipalities – by housing damage (IRM-2)



[60] The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey (June 2015)*. Kathmandu and Bangkok: The Asia Foundation, p. 48.



Chapter 9. Conclusions

Photo: Alok Pokharel

The first IRM survey, conducted in June 2015, found that the physical impacts had been immense. In many areas, almost all houses were fully or partially destroyed; most public facilities in the earthquake zone had been damaged; and affected communities were trying to come up with strategies to cope and recover. Emergency aid was flowing and was helping out, including in remote areas, but there was a high degree of mistargeting and people were identifying new forms of assistance that would be needed, especially cash and support to build more sturdy shelters or to reconstruct their houses.

Almost one year on from the Nepal earthquakes, the IRM-2 survey provides evidence of how conditions and needs have evolved since the emergency period. The vast majority of those whose houses were badly or completely damaged are still living in self-constructed temporary shelters. Volumes of cash to the earthquake-affected have risen but have been insufficient to allow for rebuilding. In March 2016, the demand for cash as a priority need has risen exponentially and people also prioritize receiving reconstruction materials that will allow them to move out of shelters into more secure homes.

Livelihoods have rebounded, with most people back at work.≈ Most businesses, in particular, have made progress in recovery. Farmers, most of the population in affected areas, have gone back to their fields, but have seen slower recovery in severely hit districts than has been the case for business or daily wage workers.

The most important coping strategy has been borrowing, which has risen significantly since IRM-1, both in the number of people borrowing and the size of loans. There has been a partial move towards borrowing from formal sources who charge lower rates of interest. Yet informal sources still predominate, especially in rural areas, and the absolute number of people taking loans from moneylenders has increased. Borrowing is particularly high in poorer districts, yet loan sizes are also smaller there and there is evidence that the poor face major credit constraints. Other vulnerable groups—such as women and lower caste people—are often having trouble accessing larger loans. Remittances, migration, and asset sales have been a less commonly used coping strategies.

There have been two problems with aid. First, overall volumes have declined since the early post-earthquake months. Aid now primarily comes in the form of cash, at low volumes. Some districts, in particular Okhaldhunga, have seen especially large declines in aid. Sindhupalchowk, which saw the largest physical impacts from the earthquake, has had by far the highest levels of aid – but this has not been sufficient to meet key needs such as shelter or food.

Second, emergency types of aid, such as tarps, continued to be provided with little distribution of materials for reconstruction. There is a mismatch between the types of aid people need and what they are receiving.

Food assistance appears to have been well targeted, reaching most in severely food insecure areas and at larger volumes than elsewhere. Yet food aid seems to be insufficient in preventing people from decreasing their food consumption.

The survey provides quantitative evidence on the impact of the fuel crisis that hit Nepal in September 2015. Around two-thirds of people said the crisis had negatively impacted their access to fuel for cooking; fuel for transportation has been less affected, in part because people in many earthquake-affected areas do not use motorized transport. People's use of wood as cooking fuel somewhat dampened the amount they had to pay for fuel during the crisis. But there was an increase in the price of staple foods. And the crisis was associated with a reduction in the volumes of aid arriving in affected areas.

IRM tracks changes in local politics. The first round of research found relatively few changes in the political parties that people were supporting. By March 2016, there were still not clear changes in party affiliation, but there is some evidence that UCPN-Maoist may be losing some voters, even as most remain uncertain about who they will vote for in the future. Satisfaction with political parties has declined since IRM-1 and the responsiveness of Constituent Assembly members appears to have done so, too. This may lead to future changes in support in the future.

IRM-1 found a broadly positive picture in terms of social cohesion in the earthquake zone. One year on from the disaster social relations are still strong. There has been almost no violence and people feel more secure than they did in IRM-1.

Key focus areas

The findings point to areas where an increased focus is needed:[61]

Temporary shelter

The extremely high proportion of the population who are still living in temporary shelter in districts that were severely hit by the quakes is of concern. In large part, this is because there has been little reconstruction materials delivered and because volumes of cash per person have been too small to allow for rebuilding. The beginning of the formal reconstruction period, which will see the disbursement of larger sums of cash, will help some people begin the task of rebuilding. Yet it is unrealistic to expect that the majority of people currently in temporary shelters will be able to rebuild in the near future, especially given the fact that many people whose houses were partially damaged will not receive large-scale government funds. There is thus a need to develop short-to-medium term strategies to improve the living conditions of people who will likely remain in shelters for the foreseeable future.

Debt and borrowing

Borrowing is the most-used coping strategy. However, with livelihoods having not fully recovered, and capital needed for rebuilding, it is likely that many will face difficulties in paying back the loans they take. The high levels of interest rates charged by many of the dominant providers of loans increases this risk. To date, there have been few sales of assets beyond livestock. But there is a risk that people will be forced to sell assets such as land if they get stuck in debt traps. There is a need to ensure that credit is provided with reasonable interest rates, to provide additional cash to limit borrowing, and to provide protections to ensure that vital assets such as land are not lost if people default.

The fit of aid with needs

The survey data shows that the overwhelming needs of the earthquake-affected are for cash, housing, and food. People prefer the former because it is liquid – people can choose ways to spend money in ways that fit with the distinctive needs they have. Despite the need for robust housing, little assistance has been provided in this area, with shelter aid focusing more on short-term assistance such as the provision of tarps. There is a need for aid providers to recalibrate the types of aid they provide so that it focuses on the big three needs.

Focus in on districts that are missing out

The survey data shows that there have been vast differences in experiences between districts with similar levels of earthquake impact. Solukhumbu, for example, has been well relatively served by aid while assistance has plummeted in Okhaldhunga. In the latter, there is evidence that some people face food security issues and that needs are great. The data in the report highlights specific issues in different districts. This can allow aid providers to adjust their responses in ways that lead to more effective responses.

[61] This report does not provide recommendations for policy-makers, donors, or other organizations delivering aid. These will be provided in the IRM-2 synthesis report, which combines data and findings from both the survey and the qualitative fieldwork.

Photo: Tenzing Paljor

Photo: Ashray Pande

Annex A: Methodology

The IRM-1 survey, conducted in June 2015, involved face-to-face interviews with 2,980 respondents in 14 districts alongside 298 ward leaders. The second IRM survey was conducted in 11 of the 14 districts, with the same households interviewed (where possible) but additional households also selected. This resulted in a sample size of 4,850 (plus surveys with 305 ward leaders). The household sample was distributed equally among men and women. Respondents were individuals over 18 who are involved in decision-making in the household. Findings are representative of the population of the 11 districts studied.

A careful sampling strategy was employed that gives us confidence that the results reported the broader situation and views in earthquake-affected areas.[62]

Sampling frame and district selection

The survey for IRM-2 was conducted in 11 districts, all of which were covered under the IRM-1 survey. Three districts—Manang, Khotang and Dang—were dropped from the sample because they do not appear in the PDNA's list of affected districts.

The new 11-district sample includes districts across four of the PDNA impact categories (see Table 1.1 above) with only the least affected areas missing.

Based on feedback on IRM-1, the sampling frame for IRM-2 and future waves of surveying also takes into account the classification of VDCs/municipalities on the basis of the five categories of food security as developed by the Nepal Food Security Monitoring System (NeKSAP). The five categories are: (1) minimally food insecure; (2) moderately food insecure; (3) highly food insecure; (4) severely food insecure; and (5) humanitarian emergency. The sample was boosted in four districts to allow for robust disaggregation of data by these food insecurity categories.[63]

Table A.1 lists the districts, the basic sample size, the additional sample in selected districts for assessing correlations with food security, the total sample in each district, and the margin of error per district.

Table A.1: Distribution of sample and error margin for each of the districts

Districts	Basic district sample	Additional sample for food security analysis	Total sample per district	Error margin at the district level (+/- %)
Nuwakot	350	-	350	5.2
Sindhupalchok	350	250	600	4.0
Ramechhap	350	250	600	4.0
Gorkha	350	250	600	4.0
Solukhumbu	350	-	350	5.2
Dhading	350	-	350	5.2
Bhaktapur	350	-	350	5.2

[62] For a summary of the construction of the initial IRM-1 survey, see: The Asia Foundation (2015). *Aid and Recovery in Post-Earthquake Nepal: Independent Impacts and Recovery Monitoring Nepal Phase 1 – Quantitative Survey: June 2015*. Annex A.

[63] NeKSAP produces an Integrated Food Security Classification for each VDC/MC every four months, based on meetings at the district level. The NeKSAP data used came from meetings held 15-30 November 2015.

Districts	Basic district sample	Additional sample for food security analysis	Total sample per district	Error margin at the district level (+/- %)
Okhaldhunga	350	250	600	4.0
Lamjung	350	-	350	5.2
Kathmandu	350	-	350	5.2
Syangja	350	-		5.2
Total	***3,850***	***1,000***	***4,850***	

The sample produces results with +/- 1.4% error margin at a 95% confidence level at the aggregate level. The sample size for each district, with four exceptions, is 350; this sample produces an error margin of +/- 5.2% for district-disaggregated analyses.

In addition to the basic sample size of 350, for the four districts where correlations with the food insecurity situation were assessed in detail, an additional sample of 250 has been allocated, which means that each of these districts will have a sample size of 600. This allows for generalizing at an error margin of +/- 4% in these districts. Across food security categories in the four districts as a whole, the error margin is +/- 4% at a 95% confidence level. Across the food security categories within each district, the error margin is +/-7% at a 95% confidence level.

Selection of VDC/wards within districts and replacement of VDC/wards

Within districts, multistage random sampling (PPS) was adopted in the selection of sample wards. In the earlier survey (IRM-1), 238 sample wards were selected from the 11 districts that remain in the sample using PPS. These same 238 wards were selected for IRM-2.

In addition to the 238 previously sampled wards, 67 new wards were selected in the districts of Sindhupalchok, Ramechhap, Gorkha, and Okhaldhunga using PPS. These 67 new sample wards in the four districts were uniformly distributed across the food security categories within the districts.[64] For the four districts where additional wards will be selected, the sampling method at the VDC/ward level is stratified random sampling since the additional VDCs/wards selected in these districts were based on the food security categories.

Selection of enumeration areas within VDC/wards

For the 3,850 sample, the same enumeration areas (EAs) that were sampled during IRM-1 were visited in IRM-2. The number of interviews per EA, however, has increased since IRM-1. On average, 16 interviews were conducted in each EA. In IRM-1, there had been ten interviews per EA. The reason for more interviews per EA is to decrease the margins of error for analyses.

For the additional 1,000 respondents in the newly sampled wards (in the four districts where analysis disaggregated by food security category was conducted) broadly the same procedure as used in IRM-1 was followed. Within the sampled ward, there could be various settlements. These various settlements were regarded as EAs. The various EAs within a ward were identified and listed once the survey team reached the locality. From this list, one EA was randomly selected using simple random sampling. On average, 16 interviews were conducted in each EA within these new 67 wards.

[64] Examination of the distribution of sampled VDCs in IRM-1 across NeKSAP's five food security categories reveals that the VDCs sampled were more or less evenly distributed across the categories. This further justifies continuing with the same wards as in IRM-1.

Selection of households within EAs

To the extent possible, the households surveyed in IRM-1 were identified for interviews for IRM-2. In total, it was possible to reinterview 1,558 households. The extra six households in each EA, who were not interviewed in IRM-1 were selected using the same protocols as employed in the first survey. Households were randomly selected using the household lists generated for each EA during IRM-1.

For the new 67 wards, the same procedure as IRM-1 was followed. Before selecting the households in the sampled EA, the supervisor listed the households in the sampled EA. Then, systematic random sampling was used to select the households from the list of households. In this way, a total of 4,850 households were selected using systematic random sampling.

Selection of respondents within households

The same respondents as surveyed in IRM-1 were selected where possible. The IRM-1 survey obtained the names and mobile numbers of the interviewees. This was used to identify the respondent in the household to be interviewed for each survey.

For the extra six respondents in each previously selected EA, plus those in the new 67 wards, the same procedure as in IRM-1 was followed. Once a household was selected for the interview, the next task was to select the respondent from within the household. Only those who play some role in decision-making in the household could be interviewed. From within this list within the household, respondents were randomly selected but steps were taken to ensure gender balance of respondents. The names and mobile numbers of new respondents were collected, allowing for their inclusion in the household panel in the future.

Weighting data

In IRM-1, weighted statistics were reported for the cross-sectional study. In IRM-2, the analysis reports comparisons between the first and second waves of the survey. Given the fairly sizeable sample attrition between the two rounds (35% of respondents), and the fact that an analysis of the drivers of such attrition and correction for potential bias was beyond the scope of this paper, all statistics in IRM-1 and IRM-2 are reported in terms of their unweighted sample means in this report. A comparison of the unweighted and weighted figures in several cases shows that the numbers are very similar.

Photo: Amanda Gurung

Annex B.
Sample Characteristics

Throughout this report, the various outcomes of interest—livelihoods, coping strategies, aid, needs, access to basic services, impacts of the fuel crisis, political preferences, and social cohesion and violence—are analyzed in terms of their variation across areas and population sub-groups.

- By area, the analysis is by district and rural and urban areas.
- Within population groups, differences are studied on the basis of gender, caste, income bracket, and disability.
- Further, in some cases, outcomes are studied within groups that have been the most affected by the earthquake, in terms of the level of housing damage and the type of shelter where respondents currently live (given that those who continue to live in temporary shelter are, overall, more vulnerable).

Analysis was carried out primarily by comparing the average value of the variables of interest across between different groups. This annex presents how these geographic and population characteristics are distributed in the overall sample and across the eleven sample districts.

Table B.1: Distribution of demographic and socio-economic characteristics – by district impact and districts

	Gender	Caste			Income bracket						Disability
	Female	*Low caste*	*Janajatis*	*High caste*	*<NPR 2,500*	*NPR 2,501 - 9,999*	*NPR 10,000 - 19,999*	*NPR 20,000 - 39,999*	*> NPR 40,000*	*Don't Know*	*Disability*
Severely hit	**49.94%**	**6.22%**	**61.42%**	**32.36%**	**3.53%**	**41.40%**	**45.23%**	**8.76%**	**0.67%**	**0.40%**	**44.07%**
Dhading	50.00%	4.86%	52.86%	42.29%	3.71%	47.71%	41.14%	6.57%	0.29%	0.57%	41.43%
Gorkha	50.00%	10.00%	56.29%	33.71%	0.86%	28.29%	60.57%	9.14%	0.86%	0.29%	36.86%
Nuwakot	49.71%	4.29%	67.43%	28.29%	3.71%	48.57%	39.14%	7.14%	0.29%	1.14%	48.00%
Ramechhap	49.73%	7.14%	59.07%	33.79%	7.69%	42.86%	40.38%	7.97%	1.10%	0.00%	39.84%
Sindhupalchowk	50.28%	4.80%	71.47%	23.73%	1.69%	39.55%	44.92%	12.99%	0.85%	0.00%	54.24%
Crisis hit	**49.91%**	**4.04%**	**58.22%**	**37.74%**	**6.37%**	**27.40%**	**38.35%**	**18.15%**	**5.34%**	**4.11%**	**37.82%**
Bhaktapur	49.43%	0.29%	74.00%	25.71%	1.14%	29.43%	44.86%	15.14%	1.71%	7.43%	55.14%
Kathmandu	50.00%	2.86%	48.57%	48.57%	12.29%	4.86%	34.57%	29.71%	14.00%	4.00%	20.00%
Okhaldhunga	50.30%	8.98%	52.10%	38.92%	5.69%	47.90%	35.63%	9.58%	0.30%	0.90%	38.32%
Hit with heavy losses	**50.00%**	**12.14%**	**54.14%**	**33.71%**	**0.57%**	**39.29%**	**44.14%**	**14.00%**	**2.00%**	**0.00%**	**26.29%**
Lamjung	50.00%	18.00%	42.29%	39.71%	1.14%	18.00%	53.71%	24.29%	2.86%	0.00%	38.86%
Solukhumbu	50.00%	6.29%	66.00%	27.71%	0.00%	60.57%	34.57%	3.71%	1.14%	0.00%	13.71%
Hit	**49.86%**	**15.38%**	**38.18%**	**46.44%**	**0.85%**	**39.89%**	**43.59%**	**14.25%**	**1.14%**	**0.28%**	**47.29%**
Syangja	49.86%	15.38%	38.18%	46.44%	0.85%	39.89%	43.59%	14.25%	1.14%	0.28%	47.29%
All districts	***49.94%***	***7.53%***	***57.15%***	***35.32%***	***3.53%***	***37.04%***	***43.03%***	***12.77%***	***2.23%***	***1.32%***	***39.45%***

Gender

Given that the sample was designed to ensure equal representation of men and women, this is reflected across all districts and earthquake impact categories.

Caste

Janajatis have the highest representation in the sample overall (57%), followed by high caste groups (35%), and low caste groups (8%). The share of Janajatis is the highest in all categories of impact, except for the hit category, where higher castes have the dominant share (46% against 35% for Janajatis). Lower castes have much higher shares in the third and fourth impact categories (12% and 15%, respectively) than in the first and second categories of impact (6% and 4%, respectively).

Income brackets

Most people in the sample earned between NPR 2,501-19,999 per month before the earthquake. Much smaller shares have very high or very low incomes. Those with low incomes are more concentrated in higher impact districts and, especially, Kathmandu.

Interestingly, Kathmandu, the districts with the highest share in the lowest income bracket (12%), also has the highest share in the top income bracket (14%), suggesting high levels of inequity. In contrast, Solukhumbu, which has the highest share in the bottom two income brackets combined (61%), does not have any households in the very lowest income bracket (< NPR 2,500) and has only about 5% in the upper two income brackets combined, suggesting greater homogeneity in incomes. The higher disparities in Kathmandu are also evidently an urban phenomenon as the capital city is the most urban among all districts (64% urban, from Table B.3 below). However, Bhaktapur, which ranks second in terms of urban share (59% urban), is not characterized by similar extremes in income distribution (only 2% of the population is in the highest income bracket and 1% in the lowest).

Disability

Forty percent of the total sample reported some kind of disability. The disability measure is a composite of a set of six questions on different types of disability. These come from the Washington Group on Disability Statistics, a United Nations-sponsored group commissioned to improve the quality and international methods used to measure disability.[65] The questions measure whether people have difficulty seeing, hearing, walking or climbing steps, remembering or concentrating, caring for themselves, and communicating. If people said they had difficult with any of these, they were classified as disabled for the purpose of the analysis.

Table B.2 shows the percentage of people classified as disabled (using the binary variable) for each districts, as well as the breakdowns of types of disability within each district. The most common ailments in the sample are problems with sight (27%), followed by walking 22%, and remembering (20%).

[65] See Washington Group on Disability Statistics. "The Development of an Internationally Comparable Disability Measure for Censuses." Available at: https://www.cdc.gov/nchs/data/washington_group/meeting8/nso_report.pdf

Table B.2: Distribution of types of disability – by district impact and district (IRM-2)

	Seeing	Hearing	Walking	Remembering	Self-Care	Language	Disability
Severely hit	**28.64%**	**14.55%**	**26.09%**	**23.23%**	**11.27%**	**14.71%**	**44.07%**
Dhading	29.71%	12.57%	26.00%	22.00%	14.29%	16.00%	41.43%
Gorkha	22.29%	14.29%	20.57%	14.29%	6.57%	6.86%	36.86%
Nuwakot	22.57%	18.00%	30.00%	38.29%	15.14%	30.00%	48.00%
Ramechhap	29.67%	13.19%	22.80%	17.31%	9.34%	7.14%	39.84%
Sindhupalchowk	38.98%	14.69%	31.07%	24.29%	11.02%	13.56%	54.24%
Crisis hit	**24.21%**	**8.96%**	**20.59%**	**18.73%**	**6.98%**	**5.35%**	**37.82%**
Bhaktapur	36.86%	11.71%	30.86%	32.86%	10.86%	6.86%	55.14%
Kathmandu	9.43%	2.29%	10.86%	6.86%	2.00%	1.71%	20.00%
Okhaldhunga	26.35%	12.87%	20.06%	16.47%	8.08%	7.49%	38.32%
Hit with heavy losses	**23.00%**	**12.43%**	**9.71%**	**10.71%**	**7.00%**	**3.71%**	**26.29%**
Lamjung	36.00%	18.29%	12.29%	11.71%	8.86%	6.29%	38.86%
Solukhumbu	10.00%	6.57%	7.14%	9.71%	5.14%	1.14%	13.71%
Hit	**32.19%**	**14.53%**	**28.21%**	**26.78%**	**16.81%**	**21.94%**	**47.29%**
Syangja	32.19%	14.53%	28.21%	26.78%	16.81%	21.94%	47.29%
All districts	***26.76%***	***12.64%***	***21.83%***	***20.06%***	***9.84%***	***10.82%***	***39.45%***

The shares of those disabled are higher in the severely hit and hit districts (44% and 47%, respectively). The survey questions do not allow us to infer whether these medical conditions have either arisen or worsened following the earthquakes. However, the fact that there is nearly an equal representation of those with disabilities in the most affected and least affected categories in the sample suggests that these conditions are not attributable to the earthquake.

Rural/urban areas

The majority of the sample (86%) lives in rural areas and the share is upwards of 86% in all districts with the exception of Kathmandu (36%) and Bhaktapur (59%) – Table B.3. Of the five poorest districts (defined in terms of the shares of people in the bottom two income brackets)—Dhading, Nuwakot, Ramechhap, Okhaldunga, and Solukhumbu—all are entirely rural in sample composition except for Nuwakot, which is 91% rural. Sindhulpalchowk, the worst affected district in terms of livelihoods and housing damage (Chapter 2), is also entirely rural.

Table B.3: Rural/urban and housing damage distribution – by district impact and district

Area		Level of housing damage			
	Rural	Completely damaged	Badly damaged	Habitable	Undamaged
Severely hit	**95.77%**	**77.86%**	**15.95%**	**5.23%**	**0.96%**
Dhading	100.00%	76.86%	19.71%	3.14%	0.29%
Gorkha	88.00%	57.14%	31.71%	8.29%	2.86%
Nuwakot	90.86%	92.00%	4.86%	2.86%	0.29%
Ramechhap	100.00%	69.51%	20.05%	9.62%	0.82%
Sindhupalchowk	100.00%	93.79%	3.39%	2.26%	0.56%
Crisis hit	**58.95%**	**31.24%**	**17.78%**	**30.09%**	**20.89%**
Bhaktapur	40.57%	46.00%	14.29%	14.86%	24.86%

Area		Level of housing damage			
	Rural	Completely damaged	Badly damaged	Habitable	Undamaged
Kathmandu	36.29%	16.29%	10.00%	38.29%	35.43%
Okhaldhunga	100.00%	31.44%	29.04%	37.13%	2.40%
Hit with heavy losses	**100.00%**	**26.71%**	**16.86%**	**42.29%**	**14.14%**
Lamjung	100.00%	24.00%	11.14%	39.14%	25.71%
Solukhumbu	100.00%	29.43%	22.57%	45.43%	2.57%
Hit	**86.32%**	**7.69%**	**13.39%**	**62.39%**	**16.52%**
Syangja	86.32%	7.69%	13.39%	62.39%	16.52%
All districts	***85.65%***	***49.65%***	***16.32%***	***23.83%***	***10.20%***

Level of housing damage

Given that the four levels of earthquake impact have been classified on the basis of housing damage, it is not surprising that the self-reported damage levels for housing are much higher in severely hit districts (Table B.3). The share of completely damaged homes is 78% in the severely hit districts, which is more than double that in the crisis hit districts (31%). There is less variation in the share of badly damaged homes across the four categories of impact. The share of homes in the habitable and undamaged categories is much lower in the severely hit districts (5% and 1%, respectively), as would be expected, compared to lower levels of impact.

Current type of shelter

Just over half of the sample (55%) lived in their own house as of February 2016 and less than 1% lived in rented houses (Table B.4). Forty-three percent of the sample continues to live in self-constructed shelters on their own land or others' land. In the severely hit districts, the share that continues to live in self-constructed shelters is as high as 80%, compared to only 16% in crisis hit districts and 8% in hit with heavy losses districts. The severely hit category also has the highest share of those in the lowest two income brackets pre-earthquake (45%). The fact that poor households tend to live in homes constructed with less resilient materials appears to be a contributing factor to the higher level of damages in these districts (Chapter 2).

Table B.4: Distribution of current type of shelter – by district impact and district (IRM-2)

	Type of current shelter				
	Own house	Friend/neighbor	Self-constructed shelter (own land)	Self-constructed shelter (others' land)	Rented house
Severely hit	**19.06%**	**0.69%**	**73.53%**	**6.61%**	**0.11%**
Dhading	19.71%	0.86%	76.86%	2.29%	0.29%
Gorkha	44.57%	2.00%	49.71%	3.43%	0.29%
Nuwakot	8.57%	0.29%	84.29%	6.86%	0.00%

	Type of current shelter				
	Own house	Friend/neighbor	Self-constructed shelter (own land)	Self-constructed shelter (others' land)	Rented house
Ramechhap	16.21%	0.00%	79.40%	4.40%	0.00%
Sindhupalchowk	6.21%	0.28%	77.40%	16.10%	0.00%
Crisis hit	**81.24%**	**1.65%**	**13.94%**	**1.93%**	**1.24%**
Bhaktapur	78.86%	2.00%	12.57%	3.14%	3.43%
Kathmandu	89.43%	1.14%	8.00%	1.14%	0.29%
Okhaldhunga	75.45%	1.80%	21.26%	1.50%	0.00%
Hit with heavy losses	**91.29%**	**0.57%**	**7.57%**	**0.57%**	**0.00%**
Lamjung	91.71%	0.57%	7.71%	0.00%	0.00%
Solukhumbu	90.86%	0.57%	7.43%	1.14%	0.00%
Hit	**95.16%**	**1.14%**	**2.85%**	**0.85%**	**0.00%**
Syangja	95.16%	1.14%	2.85%	0.85%	0.00%
All districts	***55.80%***	***0.96%***	***39.11%***	***3.74%***	***0.39%***

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