Aid and Recovery in Post-Earthquake Nepal: One Year On

Early Findings from Independent Impacts and Recovery Monitoring Round Two

25 April 2016

- Housing reconstruction is an urgent need. 80% of people in severely hit districts remain in temporary shelters.
- 64% of people in surveyed districts reported received cash from government aid programs but the amounts received are insufficient for recovery.
- Respondents identified cash (57%) and items for housing reconstruction (33%) as one of their top immediate priorities for assistance.
- Perceived irregularities and unfair treatment during damage assessments is causing frustration across the affected areas.
- Borrowing money as a coping strategy is increasing. 42% of people in all districts surveyed reported borrowing money since the monsoon.
- While most farmers, small business owners and laborers are returning to normal economic activity, many are still affected by damaged buildings, equipment, and irrigation systems.

This brief presents preliminary findings from the *Independent Impacts and Recovery Monitoring for Accountability in Post-Earthquake Nepal* (IRM) project. The IRM involves longitudinal mixed methods research including in depth qualitative field research in 36 wards across six earthquake affected districts and a household survey with a sample size of more than 4,000 from eleven affected districts.[1] The field research was conducted by Democracy Resource Center Nepal, Interdisciplinary Analysts and The Asia Foundation, with financial support from the governments of the United Kingdom and Switzerland.

This brief details results from the second round of research since the earthquake hit, conducted February-March 2016. The first round was completed in June 2015. Two additional rounds of field research will be conducted over the next year. A report detailing findings and providing recommendations to aid providers and policymakers will be released after each round. The next full report is due to be released in June 2016.

Findings from June 2015

The first round of research found that the quality of housing construction was a major determinant of why some areas were more affected by the earthquake than others. Highly impacted districts had far more people living in structures made of stone and mud than other areas. And these houses were far more likely to be destroyed or damaged than others.

In the weeks after the earthquakes emergency relief was delayed, uneven, and suffered from weak coordination. The subsequent formalization of local relief distribution committees (DDRCs and RDCs) helped improve coordination and aid delivery. These committees are perceived to have performed well, despite limited opportunities for citizen participation.

Delays and early confusion with the damage assessment processes contributed to mixed levels of satisfaction with the aid provided. There was evidence of substantial geographic mistargeting of aid with highly impacted wards in districts classified as medium impact being under supported. The government classification of damage at the district level greatly influenced the attention and ultimately amount of aid a district received.

No overt evidence of politicization of aid was found, and no pattern of discrimination or intra-community conflict over access to aid was observed. There were, however, minor disputes and tensions reported. In addition to frustration with government over damage assessments and the process of generating local beneficiary lists, grievances relating to the temporary resettlement of displaced households were found in some locations.

Livelihoods have been significantly impacted. Small businesses were hard hit, farmers in areas facing landslide risks were slow to resume activities, and the tourism sector was devastated. While the sale of assets and rates of debt did not significantly increase in the months following the earthquake, people were considering using these coping strategies if their situations did not improve.

[1] Household surveys were conducted in Nuwakot, Sindhupalchowk, Ramechhap, Gorkha, Dhading, Bhaktapur, Okhaldhunga, Kathmandu, Solukhumbu, Lamjung, and Syanjha. In addition, in-depth qualitative data collection was conducted across Sindhupalchowk, Ramechhap, Gorkha, Okhaldhunga, Solukhumbu, and Syanjha.

The Situation in March 2016

Initial review of the data emerging from research completed in March 2016 reveals that the slow pace of reconstruction and recovery efforts is taking a toll on households and communities. **One year on from the devastating Nepal earthquake, emerging evidence from the field indicates that the impacts of the disaster are still being felt by thousands in affected districts.** There are many examples of hard work and effective coping strategies that highlight the resilience of communities and households affected. But the emerging narrative is of delayed reconstruction and urgent needs—in particular related to shelter—that remain unaddressed.

80% of people in severely hit districts still live in temporary self-constructed shelters. The displaced endured difficult monsoon and winter seasons with inadequate access to shelter, leading to discomfort and sickness. One-quarter of people living in temporary shelters in severely hit districts, and 41% in crisis hit ones, said that they were unable to make sufficient repairs to their homes to withstand the winter cold. Families fear the approaching monsoon season will be difficult with reconstruction aid to arrive and rebuilding extremely difficult during the rains.

The strain of the disaster on the economic health of families is emerging more clearly with levels of borrowing increasing. Last June, 19% reported borrowing money since the earthquake. As of March 2016, 42% had borrowed since the 2015 monsoon. Average amounts borrowed have increased to NPR 208,749.

Borrowing is expected to increase further, especially as reconstruction begins in earnest. 57% of those in severely hit districts say they plan to take out loans in the next three months. People tend to borrow from informal sources, such as moneylenders, who are charging 2.4% interest per month. If loans cannot be repaid, there is risk of people getting stuck in debt traps

The fuel crisis exacerbated economic problems and stymied recovery. Around 95% of survey respondents reported that the price of basic food staples (rice and wheat) was either slightly or much higher than before. Further the impact of protests over the new constitution and related shortages (the fuel crisis, in particular) was felt the most in the worst affected districts: 66% in severely hit districts said that aid had reduced or completely stopped in their wards while the crisis was ongoing.

Household satisfaction with aid has not changed significantly over the last six months, but qualitative data suggests that frustration with the slow response and the contentious and confusing process of damage assessment is increasing. This frustration has not led to worsening social cohesion. However, the research found cases in multiple locations of overt discrimination and disputes along ethnic or caste lines over aid distribution as well as tensions related to the temporary resettlement of displaced persons.

Needs in the earthquake zone have changed since last June and people now prioritize reconstruction assistance rather than emergency relief. Three months after the quakes, people said they needed cash, corrugated iron sheets and food. One year on from the quake, top immediate priorities (cited as being in top two needs) are cash (57%) and items for housing reconstruction or houses (33%). Only 4% said they needed food. Qualitative fieldwork also identified water and sanitation facilities as priority needs. Government officials at the district and VDC seemed aware of these priorities, but aid has been insufficient in volume to meet these needs.

Damage assessments have been perceived by many as being inconsistent and unfair, and communication with residents on reconstruction plans has been weak. People are frustrated that assessments were not carried out uniformly across districts, and suspicions of political and personal interference leading to adjustment of assessments and victim lists were fairly widespread in the qualitative research. This has not necessarily translated to widespread dissatisfaction with the final assessment households received: 49% of all respondents indicated feeling fully satisfied with the classification of their household, while only 11% felt somewhat or very unsatisfied. Those who missed out are the most likely to feel dissatisfaction.

Aid Delivery and Effectiveness

95% of people in severely hit districts have received some aid since the earthquake. Significantly lower figures have received aid in locations with lower damage classifications. For example, less than half have received aid in crisis hit districts. Cash is the type of aid received by the most respondents, followed by tarps, blankets, corrugated iron sheets, food and sanitation. Cash is also the top item articulated as the most important immediate need, now and in three months' time. Qualitative research also found that clear guidance on reconstruction policies was also frequently cited as a critical need.

Local officials and citizens express a clear need for the government to urgently focus on the reconstruction of houses and community infrastructure, but almost no reconstruction activity has taken place. Field research came across a few individual households starting to rebuild, but that number was limited. In addition, while some 30% of water and irrigation sources damaged had been rebuilt since the earthquake, more than 80% of other public infrastructure (like health posts, VDC and other government office, schools) in the research area had not yet started repairs or reconstruction. In many wards studied in the qualitative research, except those in Syanja and Solukhumbu, water has been identified by residents as a major need. The survey results also show that key services—electricity, schools and motorable roads—are worse than before the earthquakes.

Cash has been widely distributed but only in small amounts. In severely hit districts, 88% of survey respondents have received cash from the government and 17% from non-government agencies. However, average amounts are NPR 21,811 and NPR 11,594, respectively.

A lack of clarity regarding reconstruction policy and the process ahead is also fueling misunderstanding and allowing the spread of rumors and misinformation. Many households who could afford to start reconstruction with limited help from other sources are hesitant to do so due to the lack of clear guidelines from the government on how to rebuild houses to meet safety requirements, as well as details on the forthcoming support for reconstruction.

Coordination mechanisms have slowed their activities in recent months. DDRCs are meeting less often or becoming inactive in some studied locations. RDCs are also slowing down their activities, but they have remained engaged in supporting the targeting of what aid was delivered during the winter. Regular meetings between the district and VDC authorities for information sharing and discussion were occurring in only one out of the six field research districts.

Areas have had a number of different damage assessments, which have sometimes led to contradictory results. Most VDCs studied had an initial damage assessment done in the weeks following the April 25 earthquake that was led by local actors (VDC Secretaries, local political party members and WCF members). Once the DDRCs were formed, they conducted a second assessment which was focused on classifying damage to houses and which determined the distribution of victim ID cards. A third round of assessments led by the CBS was just starting in many locations at the time of the qualitative field work in February-March 2016. People are unsure which assessments will be used to determine who can access aid.

The DDRC-led damage assessments are believed to have been inconsistent and unfair by many interviewed. The second round of assessments were hampered by perceived variation in level of technical detail, different

approaches and compositions of assessment teams, and weak communication. In some locations the second assessment happened before the May 12 quake that led to more damage; in other locations no second assessment was conducted; and assessments without actual visits to households were reported in some VDCs. These variations have led to a large number of complaints and petitions with DDRCs changing significant numbers of classifications in response. In Gorkha, 59,523 households were initially given victim ID cards; complaints increased that number increasing to 66,144 by early 2016. In Ramechhap and Sindhupowlchuk, large numbers of complaints about houses that should not have been on beneficiary lists were also received – 3,400 in Sindhupowlchuk alone. The changes made to the lists may improve the satisfaction of some, but they are also contributing to a widespread perception that political or personal influence is driving many of the adjustments.

Livelihoods and Economic Impacts of the Earthquakes

The local economies in affected areas are starting to regain some semblance of normalcy. Different occupational groups who were affected by the earthquake are starting to report improvements following the initial disaster and the extended challenge of the economic blockade.

Livelihoods that have been either completely or partially affected by the earthquake to the greatest extent are farming on own land (41%) and businesses (12%), followed by wage work and livestock rearing (7% each). All livelihoods have been worst impacted in the severely hit districts, with the exception of businesses, where 28% have been affected in the crisis districts versus only 7% in the severely hit districts.

Business has recovered more quickly than agriculture. 70% of business people who reported setbacks cited improvements in the past three months; 48% of those affected who farm their own land, said the same.

Recovery signs are higher in the severely hit districts for some occupations but lower for others. People working in businesses and wage work, who saw their work setback, are more likely to report improvements in the last three months. However, recovery is lower in severely hit districts for farming, the dominant livelihood, and livestock rearing.

Despite recent improvements many households are still suffering significant impacts on their income. Coping with the challenges of constructing or finding shelter, displacement, damage to business locations or agricultural land and infrastructure is still taking a toll on many affected households. While small businesses have shown progress in their recovery, those with damaged equipment or buildings are still often unable to resume normal activity. Tourism-dependent industries were particularly hard hit during the most recent trekking season and recovery will only be possible next year when the new high season begins. Many farmers have restarted cultivation, but there are still many suffering from the loss of draft animals, displacement away from their fields, and disruptions of water sources and irrigation systems.

The price and demand for labor is reported to have dramatically increased in multiple locations. In one location wages for both skilled and unskilled work had doubled. While there were also reports of the demand for manual labor dipping in some locations during the winter, demand is reportedly increasing in recent months as some

reconstruction has started. Day laborers were the second most likely (behind government employees) of any occupation group to report improvements over the last three months. The expectation that this demand will continue to rise is clear.

Borrowing has clearly increased since the monsoon, with 42% taking additional loans. 25% of the total sample had borrowed money for general livelihood needs, 15% for food, 11% for rebuilding or repairing their houses, 7% to support their farm or business, and 8% to pay for temporary shelter needs. Borrowing is expected to further increase as the reconstruction of houses starts in earnest in the coming three months, with 40% of the total sample households reporting plans to borrow and 57% in severely hit districts. These numbers may rise when reconstruction packages are clarified by the government and the additional amounts needed are recognized by households.

The sale of assets and migration overseas post-earthquake are fairly low. Only 6% of households reported having sold assets since the monsoon (8% in severely hit districts) with 86% of those selling livestock. Qualitative interviews suggest, however, that households will consider selling assets if government support for rebuilding is delayed further or is not sufficient to meet their needs. Migration overseas since the earthquake has been fairly low (6%). Further, we note from qualitative findings that families tend to take on debt to pay for migration abroad in most cases so it would not generally be an effective short term coping strategy to increase incomes. Only 9% of households reported receiving remittance money since the earthquake for the first time.

Political Leadership

Despite reports of increased collaboration and effective performance by political parties immediately after the earthquake in supporting emergency relief, political party actions are viewed more negatively now. In the recent survey, political parties have the lowest reported satisfaction rate among actors involved in aid provision. Only 31% of households say they are satisfied with the role played by parties; in contrast, 62% were satisfied with government, 59% with local administrators, and 74% with INGOs. Qualitative research showed less active participation in local coordination and communication regarding aid, and a corresponding decrease in DDRC activity, due in part to the decline in emergency aid. Research also showed that perceptions of political interference in damage assessments and the distribution in aid are increasing.

No discernable changes in political preferences or leadership dynamics were observed at the district or VDC levels. At the ward level there is some evidence of Ward Citizen Forum coordinators becoming more active due to their important role in the local targeting of aid and the identification of beneficiaries, but it remains to be seen if this will have any long term impact on local political and governance dynamics.

Protection and Vulnerability

The relative vulnerability of the poor and marginalized is affecting their recovery from the damage of the earthquake. Those who started with a better economic outlook have been able to cope with the situation more effectively and avoid debt, unhealthy living conditions and other challenges.

Women, children and the elderly are all reported to have suffered the effects of the disaster disproportionately. Specifically, women have reported discomfort and feelings of insecurity in temporary shelters. Children and elderly

have been reported to have suffered most from the increase in disease and illness related to humid conditions and extreme cold.

Households report that crime has increased, but official statistics cannot confirm this. 46% of households indicated a slight or substantial increase in crime in their locations, but official police statistics do not show significant increases. In general households feel more secure in February 2016 than they did in 2015, with 2% reporting that they feel somewhat or very unsafe, compared with 17% in June 2015. In qualitative discussions, residents expressed concerns about increases in alcohol abuse and gender-based violence in some locations. Small increases in rape and suicide rates were reported by informants in the crisis hit districts but these trends were difficult to substantiate.

The psychological impact of the earthquake continues to affect many. Fear of aftershocks, memories of the discomfort of the previous monsoon season in temporary shelters, and feelings of stress were reported by many communities. Children are often cited as suffering from psychological trauma.

Social Cohesion

Communities continue to work together to support each other, and there have been no significant violence or communal disputes reported. The most recent survey showed that 99% of households reported that there had been no violent incidents in their communities. Qualitative research found multiple stories of communities preparing rotating work schedules to exchange labor or collectively identifying shelter for displaced persons across the studied districts.

Perceived discrimination in decisions relating to the allocation of aid and damage classifications is starting to heighten community tension in many VDCs. In general, diverse communities show more vulnerability to increased tensions. The stress of coping with the effects of the earthquake, the real needs of many that are not being met in full, and existing communal dynamics all seem to be contributing to these complaints and frustrations. In the household survey 34% of all respondents felt strongly or somewhat that aid distribution by the VDCs and municipality had not been fair since the monsoon, with crisis hit districts showing the highest rates of perceived unfairness (42%). Tensions have not, however, been found to have developed into violence or more serious disputes.

Displacement is generating a more concerning pattern of disputes. While there are examples of communities opening their homes to displaced persons or finding collective solutions, there are increasing cases of disputes and tensions over how to accommodate the displaced, and where they should resettle. Cases of caste discrimination, suspicions of land grabbing, and general frustration with the unplanned nature of resettlement is a concern going forward.

Next Steps

This brief is the first of several intended outputs from this second phase of the IRM research. Full reporting from quantitative and qualitative studies, and a set of recommendations for practitioners and policy makers, will be released in June 2016. Please watch for the release of the report on The Asia Foundation's website (www.asiafoundation.org). Please contact patrick.barron@asiafoundation.org for further information on, or questions about, the project.