

# Nepal's Post-Disaster Reconstruction Current Status and Lessons Learnt

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## **Immediate Rescue and Relief**

The government began its relief effort immediately after the disaster in April 2015 by enforcing Essential Services Operation Act 1957 and launching a search and rescue operation for survivors under the debris. The Central Disaster Relief Committee (CDRF) got into action as per the National Disaster Response Framework (NDRF). Temporary settlements were built in the open spaces of Kathmandu.

A state of emergency was declared. The Central Command Post was headed by the home secretary. The government set up emergency centres to supply the relief materials and attend the injured.

Government officials and security forces were mobilized for the relief work, the army and police for the Search and Rescue (SAR) operation. The Nepalese army and the private sector, along with 134 international teams from 34 countries including India and China contributed in the SAR operation. Four thousand government and private health workers were mobilized to aid rescue and relief efforts. Opening up of roads, establishing communication networks, clearing debris, searching for missing people and ensuring supplies were carried out with unprecedented support from both within and outside the country.

# State leadership: Setting up priority and mobilizing support

The first priorities of the government were to rescue possible survivors still buried under the debris, safety of the people and providing them shelter (tents and tarpaulins), food and ensuring sanitation facilities and medical attention for the affected people. Given the scale of the disaster, people in general came together to provide the necessary support to survivors by mobilizing relief activities. Help was also sought from foreign countries, humanitarian agencies, development partners like international non-governmental organizations (INGOs), local nongovernment organizations (NGOs) and other voluntary organizations for rescue and relief operations.

The private sector—corporate enterprises—also got engaged in relief and rehabilitation works. The private sector which was one of the largest contributors to the Prime Minister's Disaster Relief Fund(PMDRF), extended its work beyond fund-raising by contributing to relief efforts as well as rehabilitation of disaster affected communities.

Youth wings of political parties and different social clubs were also engaged in managing relief supplies—constructing temporary buildings and distributing food, water, tarpaulin and sanitation kits, among others. The Nepali diaspora raised funds and essential materials from all over the world, mobilized volunteers and offered technical support during search, rescue and relief works.

Checking damaged buildings and other structures and categorizing them according to the damage incurred was a massive work as the aftershocks were still rattling the country. With the help of a large number of trained engineers of Nepal Engineers Association, the buildings were labelled as red (unsafe), yellow (habitable after minor repairs) or green (safe) to indicate their habitability. Remarkably, the commercial airline flights at Kathmandu airport, stalled by the quake, were back in operation the following day.

The government streamlined all the funds by issuing a directive to channel them to the PMDRF. The earthquake related donations had reached NPR 6.88 billion. A National Reconstruction Fund(NRF) was set up to use the funds in rehabilitation and reconstruction. NRF is a non-freezing account where unspent amounts get carried over to the next year's budget. There is also a provision for Multi Donor Trust Fund for rural housing construction established with support from The World Bank (WB), United States Agency for International Development and others.

By mid-June 2015, the government had announced that the relief operation was almost over and that it would begin focusing on reconstruction and recovery.



#### Was relief a success?

There were initial hiccups in managing the large consignments of relief materials sent from all over the world. According to Nepal Disaster Report 2015, prepared by Ministry of Home Affairs, Government of Nepal (GON), initial search and rescue operation, though commendable, failed to reach the affected in time and there was a serious lapse in damage and needs assessment. The same report pointed out that lack of open spaces for temporary shelters, emergency warehouses and proper inventory for relief materials affected the relief.

The massive scale of relief works was unprecedented for Nepal. Though different disaster risk reduction plans, workshops and drills had been going on before the quake to prepare the population for an inevitable Big One, the government machinery and society found themselves at a loss when the disaster actually struck. The response became firmer and more systematic after a couple of days and the government was able to claim success in relief and rescue works, given the magnitude of destruction and technical challenges.

# Planning post-disaster reconstruction

#### Post Disaster Needs Assessment

The Post-Disaster Needs Assessment(PDNA) Report was prepared by the National Planning Commission, supported by its development partners, such as Asian Development Bank, European Union, Japan International Cooperation Agency and WB. Line ministries, international humanitarian organizations and various stakeholders helped with the estimation of the amounts and values of the damages to key sectors and assessment of the required humanitarian assistance. The main purpose of the assessment was to quantify the impact of the disaster and to outline a recovery framework for the country. The assessment covered 31 affected districts, 14 of them severely. It included 23 thematic areas, classified into four major sectors- social, productive, infrastructure and cross-cutting sectors. For each sector, damages, losses, recovery needs, strategies and implementation arrangements were identified. The total value of disaster damages and losses caused by the earthquake and its aftershocks was estimated to be NPR 706 billion (US\$ 7 billion), or equivalent to one-third of Nepal's GDP in the Fiscal Year (FY) 2013-14.

The social sector, which includes housing, was identified as the most affected. Housing and settlements sustained about 50 per cent of the destruction and production decline caused by the disaster. This was followed by tourism at 11 per cent, according to the PDNA. The earthquake led to the

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GDP growth rate being downgraded to three per cent from the earlier estimated 4.6 per cent in FY 2014-15. The lost momentum through forgone production in the three months between the earthquake and the end of that FY was valued at NPR 52 billion. The initial assessment of funds required for reconstruction was NPR 669 billion according to PDNA estimates.

# International funds

Two months after the disaster, a one-day conference called "International Conference on Nepal's Reconstruction (ICNR)" was held on 25 December 2015. This was to communicate Nepal's reconstruction financing needs to the international community, as there were fiscal constraints with the requirement of large funds.

International support, whether government or private, was made available to Nepal since the time of the disaster. They aided in relief works and were even present during demolition and debris management. Neighbours like India, China, Bhutan and Bangladesh came up with immediate relief, required personnel and equipment. Almost all the countries in the world came to aid Nepal, financially and otherwise, at this time of need. A UN Flash Appeal provided critical lifesaving services to the victims over a month amounting to US\$ 422 million.

#### Post Disaster Recovery Framework (PDRF)

In May 2016, the government released a five year "Recovery Framework" to provide vision and the strategic objectives to fulfill it. It is a policy and institutional frameworks for recovery and reconstruction and outlines the implementation arrangements projected financial requirements and immediate next steps. This document envisions the establishment of well-planned and resilient settlements. The PDRF revised the reconstruction amount estimated by PDNA to NPR 837 billion over a five-year period. The PDRF classification of sectors is more elaborate than what PDNA has done, viz. culture, education, rural housing, urban housing, nutrition, health, government buildings, agriculture, tourism, energy, transport, water supply and sanitation, disaster risk reduction, employment and livelihood, gender, social inclusion and governance.



Post Disaster Recovery Framework provided vision and strategic objective envisioning the establishment of well-planned resilient settlements and a prosperous society.

Five strategic objectives of the Framework are to restore and improve disaster resilient physical construction, build resilient and cohesive community, improve access to services, restore economic activities, livelihood and build state capacity to meet such disasters in the future.

The focus of the reconstruction plan is to rebuild private houses and cultural heritage, improve land use, engage the community, the private sector and the diaspora in reconstruction, reduce disaster risks by building back better and to provide financial assistance to the affected people under government supervision. The document talks about "owner-driven construction", relocation where needed, restoration of cultural heritage, architecture and the enforcement of the safe building code. Cash transfers from the government to beneficiaries is the core of reconstruction and recovery plan. Special focus has been given to social and environmental safeguards.

# Institutional arrangement

In his inaugural address, the prime minister had announced the establishment of National Reconstruction Authority (NRA), the legally mandated agency, headed by the prime minister to lead the rehabilitation and reconstruction.NRA also seeks guidance from disaster management experts and engineers.

Its functions include assessing the damages caused, fixing the priorities of reconstruction, preparing policies, plans and programs and facilitating implementation. It can carry out reconstruction, or ensure that it is done through different agencies, obtain land for the purpose and prepare plans for developing integrated settlements. This is expected

to ensure that reconstruction is carried out in the prescribed manner, NRA is also responsible for collaborating with NGOs, the private sector and the community. It is empowered to mobilize financial resources for reconstruction and arrange for their effective use.

At the national level, there is an Advisory Committee chaired by the PM where the opposition leader in parliament is the vice chairperson. Its members include representatives from the military and civil society. There is a Steering Committee (SC), which is also chaired by the PM, with key government ministers, experts and Chief Executive Officer (CEO) of NRA as members. The SC provides direction for effective reconstruction and approves policies and plan prepared by the Executive Committee, which in turn is chaired by the CEO of NRA with politically appointed experts as members

Four ministries, namely Ministry of Urban Development, Ministry of Federal Affairs and Local Development, Ministry of Education and Ministry of Tourism, Culture and Civil Aviation have a technical unit called Central Level Project Implementation Unit (CLPIU) that are tasked with the implementation of reconstruction projects.

At the regional level, there is a Sub-Regional Office, which coordinates national and district level reconstruction works. It supports preparation of local reconstruction plans and facilitates their implementation. There are District Level Project Implementation Units (DLPIU) and District Coordination Committees (DCC) chaired by Members of Parliament with Local Development Officers, Chief District Officers and Municipality Chief Executives as members. At the village level, there is a Resource

Centre, one for every three to six VDCs, headed by the VDC secretary and supported by an engineer and a social mobilizer.

Each VDC and Municipality is supported by a reconstruction Project Implementation Unit (PIU) staffed with one engineer, one sub-engineer and one social mobilizer to assist in design and construction tasks. The Executive Officer of the Municipal Council signs reconstruction agreements with community organizations and supports collaboration between communities and municipalities. NRA appoints Grievance Redress Officers to assist the Resource Centres. In most districts, the District Disaster Relief Committee is the institution that has been maintaining coordination between the government and development partners.

## **Grants process**

Grant distribution to private houses is coordinated by NRA. This makes up most of NRA's reconstruction initiative. First, NRA surveyed, screened and assessed the damaged private houses to identify the victims. It also addressed the grievances of those who were left out from the process. The operational modality for grants distribution: NRA signs a Memorandum of Understanding with the beneficiary who, in turn, receives a commitment for a NPR 300,000 grant in three tranches. The grants policy include NPR 15,000 as an immediate relief and an additional NPR 300,000, plus a subsidized loan, for house construction. Nepal Rastra Bank (NRB) -the central bank of Nepal- has made provisions for earthquake survivors to get soft loans, at two per cent interest, NPR 1.5 million for rural, and NPR 2.5 million for urban houses. The condition is that the structure to be reconstructed follows the NRA building code. NRA initially provided 17 model house designs for the purpose along with engineering services and supervision. Later, it added more designs to accommodate the diversity of contexts where reconstruction needed to be carried out.

The fund was released based on DLPIU recommendation and District Technical Office's approval. NGOs and government line agencies are to implement livelihood recovery programs as well. Reconstruction of damaged schools, hospitals, monuments and other public buildings is carried out by the respective government agencies.

# Almost three years on (as of March end 2017)

#### **Private houses**

NRA's initial survey had shown that among the 996,582 houses assessed 767,705 were identified as eligible for

the reconstruction grant. By the end of March 2018, 404,672 houses were under construction, of which 691,485 had received their first tranche. Out of the 350,933 applications for the second tranche, 340,498 were approved of which only 298,024 received the second tranche. Only 104,504 applied for the third tranche 97,978 of which received approval. Out of them 73,913 received the third tranche. Altogether, 237,085 grievances were registered, 205,584 of which have already been addressed.

Likewise, during the period, 220 government buildings have been completed and 174 are under construction. Similarly, reconstruction of 3,613 educational buildings has seen completion and 1,719 are being constructed. Also, 100 cultural heritage sites have been completed, while 329 are undergoing construction. Health Centers under construction number 180 with 586 already completed. There are 795 drinking water projects that are undergoing reconstruction, 581 have been completed. Meanwhile, 993 vulnerable settlements are being studied to see if they need relocation. The total number of settlements to be relocated is likely to reach 143.

# Measure of success

Nepal achieved mixed success at addressing the challenge of relief and reconstruction. After initial disarray and ineffective management of relief and rescue works, especially in remote and outlying areas, the government regrouped and, ultimately, completed the work quite successfully. The immediate relief initiatives may be considered successful in limiting the number of deaths in the post-disaster relief period.

A timely preparation of PDNA made the government successful in communicating to the world—the need for immediate relief and mobilizing the donations for post-disaster reconstruction. Despite skepticism, the



Stringent conditions of meeting building codes and design specifications are difficult for many people, discouraging them to take government support.

international conference of high level representatives, was successful in providing a first-hand experience of the situation to the participants, not to mention the government's own commitment and confidence to carry out reconstruction.

However, the government wasted valuable time and energy in political horse-trading in the appointment of the CEO of NRA and institutionalize this new structure. This also delayed efforts to seek cooperation from the bureaucracy. Despite these, PDRF was prepared and over three dozen other legal documents and manuals on policy and guidelines, were prepared to systematize the reconstruction work.

Though progress has gathered pace recently, the target of constructing all private houses in three years, and all reconstruction works within five years (except monuments and cultural heritage), seems unattainable.

# Reasons for slow progress

There are multiple reasons, institutional as well as technical for the lacklustre progress of reconstruction. Valuable time was lost in establishing NRA which needed to mobilize the requisite human resources from other ministries to fill its posts. However, there was not much willingness on the part of officials to be deputed to this new entity.

As an organization for reconstruction, NRA is top heavy, with numerous committees of redundant expert positions. This has centralized the authority

even while its work requires a decentralized approach—especially in the face of its stated policy and the PDRF's directive. Some of PDRF's critical provisions have not been implemented, thus, visibly reducing NRA's effectiveness. The Reconstruction Fund that it touts and the Resource Center at the local level are absent.

NRA has had difficulty in coordinating and getting things done through other government agencies. Since, the CPIU and DPIU are scattered among four different ministries, their responsibility and accountability remain dispersed, which makes them diffcult to mobilize.

Similarly, much time was spent on training and mobilizing human resource at the field, as there was lack of technical knowhow and managerial skills, especially among engineers, to handle the situation. There were also disputes over the number of housing grants beneficiaries. A second survey was needed to resolve them. NRA had to be very careful this time to include the eligible only. But the process was too centralised, ineffective and time consuming which added to the confusion about the grants distribution. There was confusion on whether the initial relief amount of NPR 15,000 was to be included in the total grant or not. The process of transferring the money to beneficiaries also was not clear. The need for bank accounts for payments further delayed the process.

The initial grant announcement of NPR 200,000 was later increased to NPR 300,000, creating unnecessary hopes among the victims that further increments would be forthcoming. The grant amount was the same for all. Some who were weak and badly needed the grant support could not fulfil the attached conditions. This was a challenge for NRA's pledge about equal treatment.

With all these problems dogging the efforts the initial reconstruction enthusiasm and energy to treat it as a "national movement", is losing steam with time, both at the local level as well as the national level. Policymakers, too, appear to be giving these issues less priority.

The concept of individual house construction, especially in rural areas, is something that needs to be better understood by the experts. People are not taking the second installment to build their houses because it is loaded with technical and administrative conditions. The NRA approved designs, the technology and materials used are new to most people, hence, difficult to meet the stringent requirements.

It appears that they would rather avoid taking government support than meet those conditions.

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This was evident in Namobuddha Municipality in Kavre (where a field survey including meetings with the Mayor, Executive Chief and the NRA engineers, was conducted). Here, an INGO is constructing "bore ghar" (sack houses) for the victims. The affected people who had already received the first tranche of NPR 50,000 were even eager to return the money rather than go through the ordeal of seeking the second tranche. They said that there was "too much bureaucratic hassle".

Land ownership is a major issue that has affected the quick disbursement of grants for private houses. NRA has tried to cope with the problem by revising its policy. Obviously it will take time and effort for the policy change to yield results.

#### **Lessons learnt**

Here, some lessons from Nepal's post-2015 earthquake relief and reconstruction experience, are presented.

# Intensity and urgency to act declines with time

Perceived urgency and eagerness for post-disaster activities erode with time and they become normal business once normalized. Then it becomes difficult to raise the issue or maintain the earlier momentum. Thus, there is a need to maintain the momentum in such activities with the engagement of various stakeholders.

# Post-disaster reconstruction is politically sensitive

Control over the process that involves a large sum of money becomes a politically sensitive issue.

There is a need to channel such sensitivity towards reconstruction.

# Avoid temptation of creating top heavy institution

A top heavy institution cannot carry out the reconstruction work effectively. The size of the project appears to dictate the size of the institution, or provides the temptation to come up with a topheavy and ineffective institution. There is a need for a deeply decentralized approach in such situations.

#### Decentralization works better for local issues

The balance between central control/coordination versus local level targeting is always a challenge. The aggregated number of private houses gives a different picture of the reconstruction problem than that warranted by the actual reconstruction task.

# Elucidate unclear policy concepts

An unclear policy leads to misunderstandings, misplaced demands and expectations on the part of the people. The issue of "compensation" vs. "relief" or "right" vs. "privilege" should be understood clearly while making interventions. Politically, it is always easier to make it a "right" of the citizen to be "compensated" for his/her hardship.

#### Timely and clear communication

In times of disaster there is also the challenge of delivering the correct information at the correct time. Otherwise there will be miscommunication creating a negative impact on rescue and rehabilitation efforts.

## Balance long term goal with immediate need

There is a need to create a balance between long term goals like creating a resilient society and a safe nation with short term needs like the immediate individual need to have a safe shelter.

Learn and adapt with experience to improve implementation

- Implement decentralized reconstruction—"devolve" the task, resource and responsibility to the newly formed local government bodies.
- Bring the implementation units (CLPIU, DLPIU etc) under NRA.
- Relax the designs and implementation guidelines/ engineering codes and other requirements to suit the local need.
- Provide a larger number and variety of house designs.
- Increase the amount of group loans.
- Ease the supply of construction material.
- Incentivize "safe house construction" by providing further grants.
- Donors need information and data to calculate the amount of help they can provide. Address the need responsibly.

Not a final question

Initially the government seemed little prepared to manage the immediate effect with communication gaps and a serious lag in mobilizing rescue missions. Gradually its pace picked up and successfully mobilized national and international support by performing an immediate damage and needs assessment and conducting an international conference to get the attention of international community.

NRA which was earlier mired in difficulties, has now learnt from its two-year experience. Efforts have been made to review the existing organizational structure Post earthquake relief and reconstruction work is an opportunity to reflect on our shortcomings and begin debating for better policies to address the issue of disaster management effectively.

of CLPIU and DLPIU and a revised organizational structure has been proposed by the NRA. These changes have been made to ensure smooth reconstruction.

Some of the reconstruction requirements are also being revised. NRA has announced incentives (NPR. 50,000 to all who build earthquake-resistant buildings on their own), increased the grant amount, simplified and multiplied the number of house designs to suit the needs of more communities. It is also decentralizing the implementation approach and plans to delegate reconstruction authority to the newly elected local government bodies. The rules to establish NRF are being changed and the implementation units are being brought under its aegis to accelerate the process. It had also come up with a deadline for beneficiaries to take the grant within two years pressuring people not to wait longer. The SC meeting of NRA held on 3 April 2018, even decided to extend the deadline for the second installment of the government private housing reconstruction grant to 16 July 2018. Previously, NRA had set 13 April 2018 as the deadline.

Besides technical issues, there are also non-technical (political, economic, social) issues which are equally important to be brought into debate. This is the time when we should be reflecting on our shortcomings and begin debating for better policies to address the issue of disaster management more effectively in the future.

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