

Post-Earthquake

URBAN HOUSING RECOVERY IN NEPAL : CHALLENGES & RECOMMENDATIONS

(To contribute towards developing an urban recovery strategy)

Cover Photo: Sanjay Hona

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ACRONYMS

BBS	Build Back Safer
CLPIU/Building	Central Level Project Implementation Unit/Building
CLPIU/GMALI	Central Level Project Implementation Unit/Grant Management and Local Infrastructure
COVID-19	Coronavirus Disease 2019
CRS	Catholic Relief Services
DAO	District Administration Office
DCC	District Coordination Committee
DLPIU	District Level Project Implementation Unit/Building
DLPIU/GMALI	District Level Project Implementation Unit/Grant Management and Local Infrastructure
DOA	Department of Archeology
DRR	Disaster Risk Reduction
DUDBC	Department of Urban Development and Building Construction
FGD	Focus Group Discussion
GoN	Government of Nepal
HRRP	Housing Recovery and Reconstruction Platform
KII	Key Informant Interview
KVDA	Kathmandu Valley Development Authority
KVPT	Kathmandu Valley Preservation Trust
MFI	Microfinance Institutions
MoFAGA	Ministry of Federal Affairs and General Administration
MoUD	Ministry of Urban Development
MuAN	Municipal Association Nepal

ACRONYMS

NDRRMA	National Disaster Risk Reduction and Management Authority
NGOs	Non-Governmental Organizations
NPR	Nepalese Rupees
NRA	National Reconstruction Authority
NRB	Nepal Rastra Bank
NSET	National Society for Earthquake Technology
NUDS	National Urban Development Strategy
PDRF	Post Disaster Recovery Framework
PO	Partner Organization
RCC	Reinforced Cement Concrete
RCB	Reconstruction Beneficiaries
RTB	Retrofitting Beneficiaries
SOP	Standard Operating Procedure
STA	Socio-Technical Assistance
UR-TWG	Urban Reconstruction Technical Working Group
USD	United States Dollar

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Executive Summary

Nepal was struck by an earthquake of 7.6 magnitude on 25 April 2015, followed by multiple aftershocks - the strongest earthquakes to hit the country in 80 years, causing widespread damage to life, shelter and livelihoods. Hundreds of thousands of buildings, including 1,046,019 private houses, were damaged, with data showing that around 40% of the damage occurred in urban municipalities. In 2016, the National Reconstruction Authority (NRA) was formed with the mandate to lead the reconstruction efforts of damaged structures in a sustainable, resilient and planned manner.

As a first step to extend support for housing recovery, Partnership Agreement (PA) is signed between beneficiaries and local government. It is remarkable that as of January 2021, within a short time span of just five years, more than three quarters (77%) of the households who had signed the PA, have completed reconstruction, and many are well underway. This achievement can be attributed to a coordinated recovery response comprising NRA's tranche-based financial grant support, the extensive mobilization of engineers and capacity building of masons, the untiring recovery facilitation efforts of social mobilizers, an effective grievance redressal mechanism, and a comprehensive Socio-technical Assistance (STA) package.

While considerable progress has been made in housing recovery by the NRA and other government entities, urban housing recovery has been slower than rural housing recovery. The issues hindering urban recovery are complex, and often interlinked. This study provides a detailed diagnosis of urban recovery issues; its findings are validated by qualitative and quantitative methods, partners' experiences and existing research. It supports the analysis of the scope of the problem and highlights possible entry points from which to elaborate a set of recommendations to overcome existing barriers. Additionally, it aims to guide the direction and focus of further research for developing Nepal's urban earthquake housing recovery strategy, with the aspiration of contributing to a greater long-term urban development vision for Nepal.

Urban recovery study-Qualitative and Quantitative was conducted to understand the key issues hindering households' reconstruction, and the extent to which they have hindered households' reconstruction; as such, it was conducted using a mix of qualitative and quantitative methods. The qualitative research, completed in seven earthquake affected districts in January 2020, used Focused Group Discussions (FGD) and Key Informant Interviews (KII). Its results helped to identify broader urban recovery challenges. Subsequently, with data obtained from the qualitative study, a quantitative questionnaire survey using a stratified random sampling method was conducted in six earthquake affected districts in August 2020 to validate the hitherto raised issues and their relative impact at the beneficiary level. This survey was designed in collaboration with the NRA, Central Level Project Implementation Unit (CLPIU) Building, HRRP and UR-TWG. The quantitative study was conducted with a sample of 818 beneficiaries whose housing reconstruction has not progressed beyond the first and second tranches. This study was executed in a limited geographical area, with a subset of beneficiaries living in urban areas. Throughout the study, multiple further field observations were noted that were outside the scope of this study but will require further in-depth consideration and research.

This study has contributed to the identification and analysis of urban recovery issues with the hope that its findings will further guide conceptual discussions among stakeholders to help refine relevant policies, acts, rules, and regulations. The study identified following key issues to be hindering urban recovery: access to finance; variances in land ownership and related legal implications; compliance with heritage norms; gaps in communication and flow of information; STA elements that are not responsive to the needs of urban areas; retrofitting in urban areas; and unmet needs unique to vulnerable groups.

Summary of Recommendations

Finance		
Sub areas	Short term recommendations	Long term recommendations
Ease access to Concessional Loan	<p>Increase support to beneficiaries from district and local level to access concessional loan and grass root level communication on loan provisions.</p> <p>Direct banks to honor the mandatory provisions of NRA's concessional loans to increase access to concessional loans.</p>	Link approaches of concessional loan with multiple other financial solutions to develop affordable housing finance solutions
Prepare and set-up Revolving Fund Guideline	Assess the suitability of flexible Revolving Funds in the urban context and prepare Revolving Fund Guidelines for piloting in urban areas.	Link the concept of seed funding to develop affordable housing finance solutions to various financial institutions (cooperatives, MFIs, banks)
Institutionalize Housing recovery finance	Identify and institutionalize the process of housing recovery at the local levels with engagements of NRA and the Nepal Rastra Bank (NRB)	Risk transfer and sharing mechanisms such as a homeowner earthquake insurance scheme that allow coverage of higher and lower risk homeowners.
Promote Affordable housing to reduce the cost of construction	Develop Socio-technical Assistance that promotes incremental housing, which would minimize the financial burden of housing reconstruction.	Innovation and implementation of affordable housing materials and techniques with the engagement of the private sector and multiple stakeholders.
Carry out Community based interventions	Coordinate with the Department of Cooperatives and cooperatives section in municipalities to reduce interest rates that boost the reconstruction process while incorporating financial literacy to strengthen cooperative institutions.	NRA can coordinate with the Department of Cooperatives as well as with the cooperatives section in municipalities to reduce interest rates that boost the reconstruction process

Land		
Sub areas	Short term recommendations	Long term recommendations
Municipal lead on land issues profiling and for extended facilitation	Identify local land issues with guidance of municipal leadership. Establish municipal mechanism to facilitate the land ownership process through necessary municipal certification/recommendation for issues within municipal reach	Develop policies to support and facilitate longer term land issues through national and local stakeholder engagements.
Develop Guthi Guideline	Identify the prevalent issues not covered by Guthi Guideline	Revise Guthi Guideline to address major Guthi issues considering multi-hazards.
Develop affordable housing programs	Promote affordable housing programs for urban poor, squatters, and inhabitants from informal settlements.	Promote affordable housing programs or urban poor, squatters and inhabitants from informal settlements
Develop programs to mitigate geo-hazard risks	Invest in projects that would mitigate geo-hazard risk.	Invest in projects that would mitigate geo-hazard risk
Compliance with heritage norms		
Sub areas	Short term recommendations	Long term recommendations
Establish mechanism at local levels for heritage support	Install Socio-Technical (STA) helpdesk for heritage related communication combined with planned monthly schedules of Department of Archeology (DoA) support at local level	Integrate heritage into STA package
Increase capacity of heritage craftsmen	Produce skilled masons, carpenters, etc. through craftsmen training.	Develop heritage related vocational and educational training curriculum
Extend support to heritage areas	Identify plans to support heritage areas considering heritage related issues like demolition, debris management, adjoined structures, etc.	Prepare master plan of heritage areas with urban regeneration plans/activities
Communication		
Sub areas	Short term recommendations	Long term recommendations
Establish two-way communication system	Identify communication gaps and major stakeholders in the current mechanism to establish a user-friendly, two-way urban communication channel	Develop communication strategy with innovative methods of involvement of all stakeholders including media.

Socio-Technical Assistance (STA)		
Sub areas	Short term recommendations	Long term recommendations
Define components and corresponding stakeholders of urban STA package	Develop Urban STA Package with identified components and roles of stakeholders considering urban specific contexts like debris management, heritage, HLP (housing, land and property)	Test and revisit the components and stakeholder engagement to develop a standard urban STA package relevant to all multi hazard scenario.
Institutionalize urban STA	Identify and institutionalize the process of STA at the local levels with engagements of NRA technical persons and municipal leadership.	Link STA with building code implementation and preparedness activities by developing regulatory guidelines. Develop vocational and educational curriculum to continue producing skilled manpower.
Scale up coverage of urban STA	Prepare plans to scale up the coverage of STA considering the urban caseload, technical persons rearrangements and Pos presence.	Maintain the database of STA in recovery and reconstruction. Prepare plans for longer term investments in STA.
Retrofit		
Sub areas	Short term recommendations	Long term recommendations
Increase capacity in retrofitting	Conduct extensive retrofit trainings to technical persons and masons	Extend retrofit trainings to municipal/district technical persons across the earthquake affected districts in the first institutionalization phase before the handover and beyond the earthquake affected districts during the preparedness phase
Increase STA in urban retrofitting	Plan and conduct socio technical activities on retrofit at the local levels considering the retrofit caseloads and building typology involving POs.	Plan and seek longer term funding/commitment to continue and expand STA for the preparedness phase.
Develop urban retrofit solutions	Produce and share a manual/guidebook with the existing knowledge and capacity in urban retrofit.	Design and pilot urban retrofit solutions considering the building typologies, heritage areas, adjoined buildings, etc. Prepare and endorse urban retrofit solutions.

Assistance to Vulnerable		
Sub areas	Short term recommendations	Long term recommendations
Develop comprehensive Vulnerable Support Guideline	Map the assistance, assistance modalities and roles of stakeholders to develop a comprehensive Vulnerable Support Guideline.	Identify and pilot modalities for vulnerable support for multi-hazard cases along with designing the standard criteria to identify vulnerable beneficiaries to prepare a Multi-hazard Vulnerable Support Guideline.
Develop financial solutions for urban vulnerable beneficiaries	Identify and establish financial mechanisms to support urban vulnerable, such as revolving funds and concessional loan schemes, among others. Provide STA through POs and mobile teams.	Develop strategies for financial support mechanisms to be continued after NRA's exit.
Institutionalize Vulnerable support mechanism	Strengthen the capacity of municipalities to assume the lead role of support to vulnerable households, identify vulnerable beneficiaries and plans to support them.	Develop municipal mechanisms to support vulnerable beneficiaries through livelihood, Disaster Risk Reduction (DRR) programs

1. Background

Lying in a highly seismic zone, Nepal has experienced damaging earthquakes throughout its history. The Gorkha earthquake of 25 April 2015 measuring 7.8 magnitude and the massive aftershocks that followed a month later on 12 May 2015 measuring 7.3 magnitude, brought a heavy loss to life, property and the country’s physical infrastructure.^[1] More than 8,000 lives were lost. A 2015 National Planning Commission (NPC) report states that the Gorkha Earthquake damaged 288,856 urban houses out of a total 604,930 houses. While the earthquake damage was mostly in rural areas, urban houses and infrastructure were damaged as well. The Government of Nepal (GoN) has classified urban municipalities as urban, and rural municipalities as rural areas.

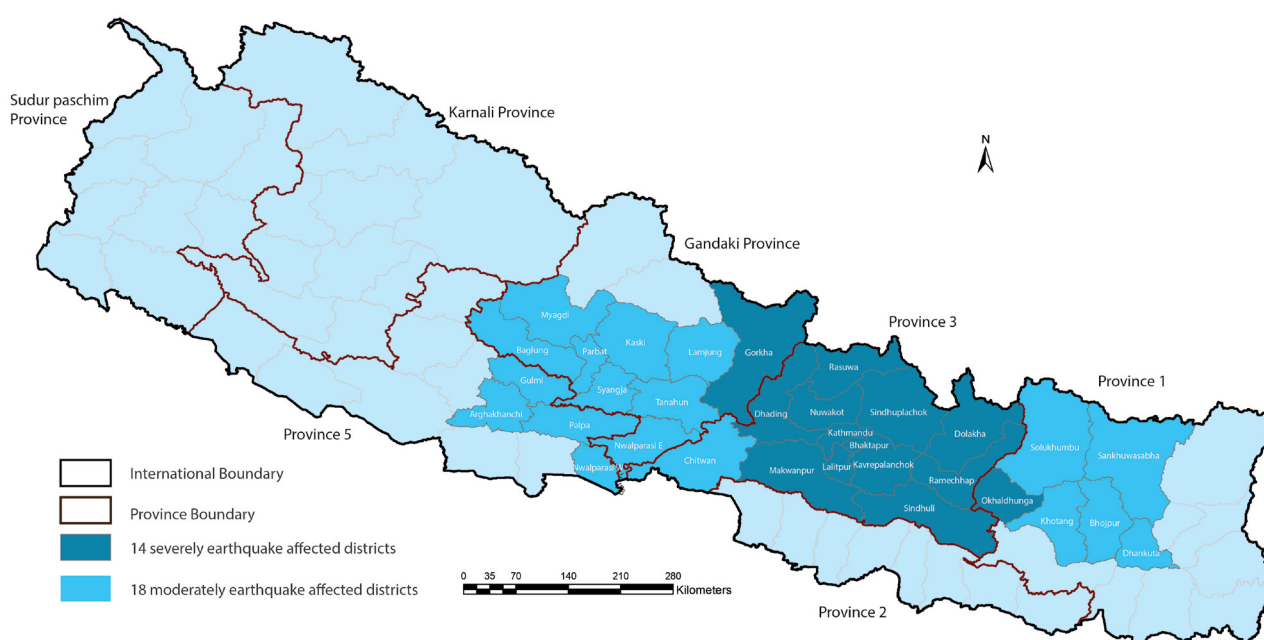


Figure 1 Thirty-two earthquake-affected districts of Nepal

The National Reconstruction Authority (NRA) was established on 25 December 2015, with the mandate to plan and coordinate the implementation of the reconstruction and rehabilitation program. The NRA is empowered to set recovery policies, and provide oversight to the recovery efforts of Government, as well as the support provided by international and local actors. The Central Level Project Implementation Unit/Building (CLPIU/Building) was established under the NRA with a mission to expedite the reconstruction of private houses, public buildings and urban infrastructures.

The Post-Disaster Recovery Framework (PDRF) published by the NRA in 2016 documents the vision and strategic objectives that guides recovery. The underlying visions of the GoN are well-planned, resilient settlements and a prosperous society through the recovery process, including safe structures, social cohesion, access to services, livelihood support and capacity building. The PDRF comprises five strategic recovery objectives, or concrete, overarching recovery outcomes.

Strategic Recovery Objective 1: Restore and improve disaster resilient housing, government buildings and cultural

[1] Limbu, Bina, Rawal, Nabin, Suji, Manoj, Subedi, Prakash, & Baniya, Jeevan. *Reconstructing Nepal: Post-Earthquake Experiences from Bhaktapur Dhading and Sindhupalchowk*. (Kathmandu: Social Science Baha, 2019), page 1. <https://soscbaha.org/wp-content/uploads/2019/11/reconstructing-nepal.pdf>

heritage, in rural areas and cities.

Strategic Recovery Objective 2: Strengthen the capacity of people and communities to reduce their risk and vulnerability and to enhance social cohesion.

Strategic Recovery Objective 3: Restore and improve access to services and improve environmental resilience.

Strategic Recovery Objective 4: Develop and restore economic opportunities and livelihoods and re-establish productive sectors.

Strategic Recovery Objective 5: Strengthen capacity and effectiveness of the state to respond to the people's needs and to effectively recover from future disasters.

The NRA's owner-driven approach of housing reconstruction has made homeowners themselves responsible for selecting the type of structure, size and construction of their house, whilst receiving technical and financial support from the NRA. Additional implementation approaches include: building integrated habitats, urban reconstruction to improve cultural or historical settlements, application of building codes and disaster risk reduction measures, cash transfers, livelihood support, community outreach, social inclusion, capacity building, and environmental and social safeguards. These strategies for housing recovery were consistent from the outset and their implementation was accelerated as a priority.

1.1 NRA Earthquake Housing Recovery Program

The NRA is the key coordination and financing body for reconstruction with the aim to complete the reconstruction and retrofitting of earthquake-damaged houses in a sustainable and resilient manner. The Reconstruction and Resettlement Policy 2072 (2016) is the primary guide for all NRA undertakings. The NRA proposed a "Post Disaster Recovery Framework," outlining a holistic approach through its six-point strategic vision for Nepal's Recovery, addressing resilient reconstruction, the first of which states to "Restore and improve disaster resilient housing, government buildings and cultural heritage, in rural areas and cities."^[2]

The GoN's Central Bureau of Statistics conducted a comprehensive census of damage in the 14 most-affected districts, and subsequently in the remaining 18 moderately affected districts, to identify eligible beneficiaries. Based on this, the enrolled beneficiaries receive cash grants of:

- a) 3,00,000 NPR (USD 2,500)^[3] for reconstruction in three tranches: 50,000 NPR (USD 415) upon signing the partner agreement, 1,50,000 (USD 1,250) after approval of plinth level, and 1,00,000 (USD 830) after approval of roof beam level;
- b) beneficiaries signed up for retrofitting receive 1,00,000 NPR in two tranches; 50,000 NPR upon signing the partner agreement and the remaining 50,000 NPR upon the approval of completed retrofitting^[4].

[2] Government of Nepal, National Reconstruction Authority, *Nepal Earthquake 2015 Post-Disaster Recovery Framework 2016-2020* (Kathmandu: Government of Nepal, 2016), page 6
https://www.np.undp.org/content/nepal/en/home/library/crisis_prevention_and_recovery/post-disaster-recovery-framework-pdf2016-2020.html

[3] 1 USD = 120 NPR as of November 2020

[4] Housing Recovery and Reconstruction Platform (HRRP), Core Socio-Technical Assistance Package, Revision 1 (2017) page 3.
https://www.hrrpnepal.org/uploads/media/6lpmjTYZ5Rc9BQFioLJx_2017_11_15.pdf



Figure 2: Newly reconstructed house of Mr. Shyam Bahadur Yando, Ward no. 3, Changunarayan Municipality, Bhaktapur, 2 storey BMM with attic; Source: HRRP, March 2020

1.2 What is urban?

To discuss urban recovery in Nepal, it is critical to first establish, “What is Urban?” What constitutes the urban is defined differently across the world, and there is no specified threshold of density, services or population that distinctly distinguishes urban from rural. The black and white of rural and urban, is in fact, a spectrum encompassing many shades from a small village to metropolitan cities, with different sized towns and cities in between.^[5] In Nepal too, it has been challenging to reach a common consensus on urban and rural areas, especially since urban municipalities also consist of rural wards and rural municipalities can also consist of urban wards. Hence, criteria were set for undertaking the study in wards displaying an urban character. The criteria for ward selection included: high population density, infrastructure availability, transport facility, occupation of population (more engaged in non-agricultural activity), market area, other urban settlement characteristics such as heritages, compact settlement, row housing, and festivals/ processions. The Housing Recovery and Reconstruction Platform (HRRP) conducted a study in 2020, and has identified 757 urban wards and 1,796 rural wards across the rural and urban municipalities in the 32 earthquake-affected districts. Figure 3 shows the distribution of urban and rural wards and municipalities across the 32 districts.^[6]

The Urban Housing Sector Profile published by UN Habitat Nepal in 2010, states that “Urbanisation in Nepal, as a process, is largely the outcome of location of new economic activities and population movement as opposed to the outcome of a planning effort.”^[7] The urbanization in Nepal has largely been characterized by haphazard growth, infrastructure deficit,

[5] Knox Clarke, P. and Ramalingam, B. *Meeting the urban challenge: Adapting humanitarian efforts to an urban world*. (London, Active Learning Network for Accountability and Performance, 2012), page 1 (summary), <https://www.alnap.org/help-library/meeting-the-urban-challenge-adapting-humanitarian-efforts-to-an-urban-world>

[6] *Urban Housing Reconstruction Status Paper* (Nepal: Housing Recovery and Reconstruction Platform, 2021), page #17 (unpublished)

[7] *Nepal Urban Housing Sector Profile*, (Kenya: UN-HABITAT, 2010). page 19 <https://unhabitat.org/nepal-urban-housing-sector-profile>

heavy densification of the Kathmandu Valley, and an urban sprawl on agricultural land.

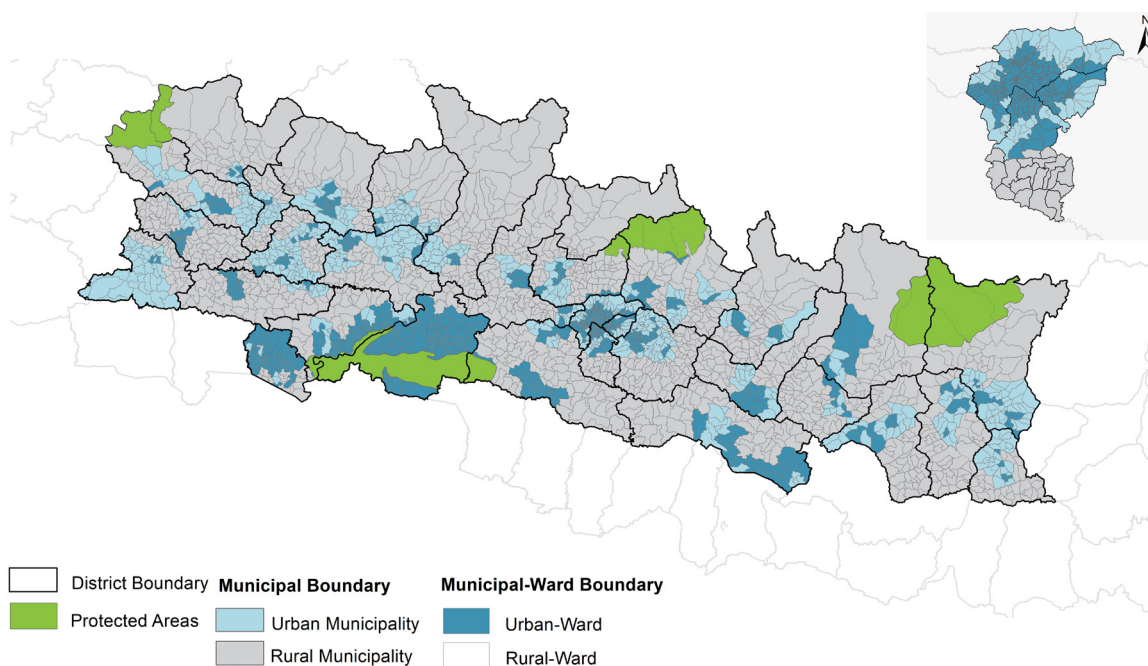


Figure 3: Map showing urban and rural wards. Inset: Urban wards concentration in Kathmandu Valley Source: HRRP, 2020

1.3 Status of Urban Housing Recovery

Table 1 shows that as of January 2021, out of the 372,319 households from urban municipalities who are eligible for receiving financial and technical support from NRA, 61.61% have completed their reconstruction. In rural municipalities, the success rate is even higher, where 81.1% have completed their housing reconstruction. Further, data indicates that urban recovery is not uniform across the 32 earthquake-affected districts; 38% of earthquake-affected households in urban municipalities of Kathmandu Valley have completed reconstruction, compared to 70.8% of households in urban municipalities outside Kathmandu Valley.

Table 1: Comparison of final (third) tranche progress (Jan 2021)

	Earthquake affected rural areas	Earthquake affected urban areas	Within Kathmandu Valley	Outside Kathmandu Valley
Beneficiaries completed 3rd tranche	81.1%	61.61%	38.8%	70.8%

Table 2 shows that private housing recovery in Kathmandu Valley is slowest in Lalitpur district.

Table 2: Recovery status of private housing in Kathmandu Valley (as of Jan 2021)

Inside Kathmandu Valley						
Geographic area	HHs eligible	HHs enrolled	1 st tranche	2 nd tranche	3 rd tranche	Progress achieved %
Kathmandu district	48,463	48,172	43,167	23,059	20,063	41.4%
Lalitpur district	20,624	18,129	18,111	7,232	6,386	31.0%
Bhaktapur district	28,619	25,089	25,089	11,876	11,444	40.0%
Total	97,706	91,390	86,367	42,167	37,893	38.8%

Table 3 shows that the status of urban recovery is better in areas outside Kathmandu Valley where 262,469 HHs are enrolled for support and 194,460 have completed their housing construction as of January 2021. This is 70.8% progress achieved.

Table 3: Housing recovery status in urban areas of EQ affected districts (as of Jan 2021)

Geographic area	HHs eligible	HHs enrolled	1 st tranche	2 nd tranche	3 rd tranche	Progress achieved %
Inside Kathmandu Valley	97,706	91,390	86,367	42,167	37,893	38.8%
Outside Kathmandu Valley	274,613	262,469	259,749	217,767	194,460	70.8%
Total	372,319	353,859	346,116	256,154	232,353	62.4%

Data shows that reconstruction in urban areas is slower as compared to reconstruction in rural areas. This discrepancy highlights the importance of identifying issues associated with urban reconstruction so that they can be discussed in detail and addressed appropriately. Studies on urban housing reconstruction in Nepal have indicated that challenges exist due to lack of finances for housing recovery, land, and information/ communication. There is also a lack of comprehensive policy tackling urban recovery specifically. Lack of financing is a major hindrance for reconstruction in urban, as well as rural, areas.

It is also important to acknowledge that multiple challenges plagued the urban housing sector prior to the Gorkha earthquake. These inherent issues were found to resurface during urban housing recovery at present and hinder successful urban housing recovery. Many of the historic towns and neighborhoods damaged in 2015 were already dilapidated. Urban housing supply did not meet the increasing urban housing demand due to the rise in urban population. The heavy concentration of the urban population in Kathmandu Valley accentuated its urban housing problem. Even before the earthquake, land prices in urban areas soared to unprecedented levels, making it difficult for urban dwellers to purchase adequate plots and build a house. Furthermore, the effective enforcement of following building codes and building bylaws was hindered by limitations in institutional capacities. The pressure on urban infrastructure was enormous, and cities were already unable to cope with the demand for housing and basic services such as water supply, power, garbage

collection and transportation. The 2017 National Urban Development Strategy (NUDS)^[8] emphasized that the lack of affordable, adequate and safe housing for economically weaker sections of the society and increasing squatter settlements are the major housing problems in the urban areas particularly in the Kathmandu Valley municipalities. Finally, the lack of reliable and comprehensive data on urban housing hindered a realistic visualization of the extent of the problems and subsequently, sound policy decisions.

It is noteworthy that urban contexts within the earthquake-affected districts are not same. Damage has occurred in new towns, traditional settlements, remote market towns, core business centers as well as peri-urban areas. Some neighborhoods are both residential and mixed-use. Furthermore, people of different levels of economic status were affected by the earthquake; they hold informal and formal professions, and range between low and high incomes. This variety of context within a physical boundary adds additional layers of complexity to recovery within urban areas.

Previous studies have shown that access to finance is a huge problem for the urban recovery process, with high costs of construction and little or no access to low-interest housing recovery loans for the beneficiaries (HRRP, 2018a).^[9] Another issue is land. Challenges such as lack of clarity in land ownership, shared ownership of houses by siblings and the land parcels below the municipality's minimum threshold size, has hindered the reconstruction in urban areas. The speed of recovery has been slower in traditional settlements, where the major issues are the high cost of construction materials, unavailability of material and labor, and need for adhering to heritage conservation norms, which often contradict the family's housing requirements. The Asia Foundation's Independent Impacts and Recovery Monitoring (IRM) study carried out from 2015 to 2019 found that only 30% of earthquake damaged houses in urban areas were demolished compared to 57% in rural areas; many still live in partially damaged houses, risking their lives.

The GoN is planning for the disengagement of the NRA from recovery works starting in December 2021. In this regard, NRA has started the process of institutionalization. This process includes the establishment, allocation or transfer of responsibilities and the formulation of required policies and regulations. Institutionalization also includes transfer and sustainability of knowledge, skills and attitudes that were developed during the recovery phase.

1.4 International Experiences in Urban Recovery

Jha et al. (2010) states that a disaster which has occurred in both urban and rural areas is challenging and complex to solve. Lessons from other recovery programs around the world highlight that housing plays a central role in both casualties and economic losses. And if done properly, a strong urban recovery can contribute to resilience in the long-term.^[10] Post-disaster recovery is a complex process requiring multi-sectoral involvement, significant resources, and a wide range of skills. Urban expertise in land use planning, infrastructure & cultural heritage plays a vital role in informing and enabling recovery.

It is globally recognized that urban crises are more complex than rural crises and require flexible and integrated approaches.

[8] *National Urban Development Strategy* (Kathmandu: Government of Nepal, Ministry of Urban Development, 2017), page 3
https://www.moud.gov.np/storage/listies/July2019/NUDS_PART_A.pdf

[9] *Urban Housing Reconstruction Status Paper* (Kathmandu: Housing Recovery and Reconstruction Platform, 2018), page 25
<https://bit.ly/2OtOMXM>

[10] Abhas K. Jha et al, *Safer Homes, Stronger Communities, A Handbook for Reconstructing After Natural Disasters* (Washington, D.C.: The World Bank, 2010),
<https://doi.org/10.1596/978-0-8213-8045-1>

Lloyd-Jones, T., *Mind the gap! Post-disaster reconstruction and the transition from humanitarian relief* (London, UK: RICS, 2006),
<https://bit.ly/2Re1ivz>

In developing countries, the response is more challenging in contexts of weak infrastructure, squatter settlements and housing that does not meet safety standards^[11]. Researchers have suggested that shelter reconstruction must be viewed as a process, or a series of actions for fulfilment of certain needs, rather than only as objects or tents.^[12]

1.5 Stakeholder Mapping for Urban Housing Recovery

Urban housing recovery involves diverse stakeholders. Owing to the immediate need, larger coverage and complex setting, stakeholder mapping looking into the past efforts, present status and future needs can help strategize the urban recovery efforts.

Habitat Humanity’s recent publication “Four Lessons from the 2015 the Nepal Earthquake Housing Recovery”^[13] states that urban recovery does not fall within the limited responsibility of governments and non-governmental organizations (NGOs), but also a diverse set of commercial actors, experts, and professional bodies. While many key stakeholders have been involved in the recovery process and their roles have been recognized, a considerable number of diverse stakeholders, such as those from the urban development and urban regeneration sectors, are yet to be engaged in the process of urban housing recovery, and this should be a priority moving forward.



Figure 4: Stakeholder network for urban housing recovery. Source: UR-TWG, 2020

[11] Holly Schofield, Emma Lovell, Bill Flinn and John Twigg, *Barriers to urban shelter self-recovery in Philippines and Nepal: lessons for humanitarian policy and practice* (Overseas Development Institute, 2019), <https://bit.ly/39TkHZh>

[12] Jim Kennedy, Joseph Ashmore, Elizabeth Babister, Ilan Kelman, 'The Meaning of 'Build Back Better': Evidence From Post-Tsunami Aceh and Sri Lanka' in *The Journal of Contingencies and Crisis Management* 16(1) (John Wiley & Sons, Ltd., 2008) pgs 24-36., <https://bit.ly/3fRQeyH>

Ian Davis, *Shelter After Disaster* (Oxford: Oxford Polytechnic Press, 1978),

John FC Turner and Robert Fichter (eds), 'Housing as a Verb' in *Freedom to Build, dweller control of the housing process* (New York: Collier Macmillan, 1972), pgs148-175.

[13] Four Lessons from the 2015 the Nepal Earthquake Housing Recovery, Habitat For Humanity, April 2020 <https://bit.ly/3g5altp>

Table 4: Distribution of Stakeholders - linking their roles to future urban housing recovery strategy development

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
National Government	National Reconstruction Authority (NRA)	Lead and coordinate overall urban recovery	Direct	NDRRMA, MoFAGA, MoUD	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	Central Level Project Implementation Unit/Building (CLPIU/Building)	Facilitate the technical sector of urban recovery in coordination with NRA	Direct	NDRRMA, MoFAGA, MoUD	Further	Policy, STA, Retrofit, Vulnerable, Communication
	Central Level Project Implementation Unit/ Grant Management and Local Infrastructure (CLPIU/GMaLI)	Facilitate the financial disbursement process in coordination with NRA	Direct	NDRRMA, MoFAGA, MoUD	Further	Policy, Land, STA, Finance, Retrofit, Vulnerable, Communication
	Ministry of Urban Development/ Department of Urban Development and Building Construction (MoUD/DUDBC)	Facilitate in developing and implementing urban related plans and policies	Direct	MoUD	Further	Policy, STA, Retrofit, Vulnerable
	National Disaster Risk Reduction and Management Authority (NDRRMA)	Facilitate the overall disaster risk reduction and management from national to provincial, district and local level	No role	NDRRMA	Further	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	Department of Archaeology (DoA)	Facilitate in heritage conservation	Direct	DoA		Policy, Heritage

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
National Government	Kathmandu Valley Development Authority (KVDA)*	Prepare and implement an integrated physical development plan for Kathmandu Valley	No role	KVDA	No	Policy, Land
	Kathmandu Valley Preservation Trust (KVPT)	Contribute to rebuilding and restoring heritage sites and heritage settlements	Indirect	KVDA	No	Policy, Heritage
	Municipality Association Nepal (MuAN)	Provide platform for all municipalities to discuss the recovery process	No role	Municipalities	Further	Policy, STA
	Guthi Sansthan	Facilitate regulatory process for recovery in Guthi land	Direct	Guthi Sansthan	Close	Policy, Land
Provincial Government	Ministry of Physical Infrastructure Development (MoPID)	Facilitate urban regeneration project and infrastructure development activities considering province level land-use plans and cultural heritage	Indirect	MoPID	Further	Policy, Land, STA, Finance, Vulnerable, Communication
	Ministry of Economic Affairs & Planning (MoEAP)	Facilitate project selection and financing	Indirect	MoEAP	Further	Finance, Heritage
Local Government	Community Reconstruction Committees (CRC)	Facilitate the overall recovery activities through community groups	Direct	Municipal Ward Office	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Local Government	Municipal Wards	Bridge the regulatory process of recovery between beneficiary and municipality	Direct	Municipal Ward	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	Municipality	Bridge the regulatory process of recovery between wards and local government and other stakeholders	Direct	Municipality	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	District Level Project Implementation Unit/Grant Management and Local Infrastructure (DLPIU/GMaLI)	Facilitate and monitor tranche disbursement and bridging among beneficiaries, wards, and banks	Direct	Municipality/ Rural Municipality	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Communication
	District Level Project Implementation Unit/Building (DLPIU/Building)	Facilitate and monitor technical assistance	Direct	Municipality/ Rural Municipality	Close	Policy, STA, Retrofit, Vulnerable, Communication
	District Treasury Controller Officer (DTCO)	Facilitate regulatory fund tranche mechanism from government account to beneficiary account	Direct	DTCO	Close	Finance

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Local Government	District Coordination Committee (DCC)	Facilitate the discussions on recovery needs; issue district-level directives in coordination with government offices, political leaders, partner organizations and NRA	Indirect	DCC	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	District Administration Office (DAO)	Lead the facilitation of district-level discussions with district government bodies; lead District Disaster Relief Committee	Indirect	DAO	Further	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage
	Department of Land Reform and Management (DLRM)	Lead land administration and land management activities	Direct	Department of Land Reform and Management	Close	Policy, Land
	Department of Survey (DOS)	Provide trace map to beneficiaries for concessional loan process and land clearance process	Direct	Department of Survey	Close	Policy, Land
Partner Organizations (PO)	Donor Agencies	Provide institutional, technical and financial assistance to support recovery programs	Direct	Other/ additional donor agency to facilitate; Community SHGs will strengthen	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Partner Organizations (PO)	I/NGOs	Provide technical, financial and research assistance to government authorities and households	Direct	Other/ additional donor agency to facilitate; Community SHGs will strengthen	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	NGOs	Implement technical, financial and research programs to assist government authorities and households	Direct	Other/ additional donor agency to facilitate; Community SHGs will strengthen	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
Financial Service Providers	Nepal Rastra Bank (NRB)	Facilitate financial management to support urban recovery; Prepare Guidelines for regulation of BFIs	Direct	NRB	Further	Policy, Finance, Communication
	Banks	Facilitate access to cash and credit for recovery and follow NRB Guidance	Direct	Banks	Close	Policy, Finance, STA
	Cooperatives	Facilitate access to cash and credit for recovery	Indirect	Cooperatives	Close	Finance
	MFIs	Facilitate access to cash and credit for recovery	Indirect	MFIs	Close	Finance
	Remittance	Facilitate access to cash and credit for recovery	Direct	Remittance	Close	Finance
	Neighbors/ Relatives/Friends	Facilitate access to cash and credit for recovery	Direct	Will increase or decrease Neighbors/ Relatives/ Friends	Close	Finance

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Construction Professionals	NRA Technical Persons	Provide technical assistance and ensure compliance as per Build Back Safer (BBS) guidelines/ NRA Inspection SoP	Direct	May be replaced by other NRA technical person	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	Local Masons	Provide construction support as well as socio-technical assistance to BBS	Direct	Local mason	Close	STA, Retrofit, Vulnerable, Heritage, Communication
	Migrant Masons	Provide construction support as well as socio-technical assistance to BBS	Indirect	May be replaced by another migrant mason	Close	STA, Retrofit, Vulnerable, Heritage, Communication
	Craftsmen	Provide construction support as well as socio-technical assistance to BBS, mostly in heritage settlements	Indirect	May be replaced by other craftsmen	Close	STA, Heritage, Communication
	Contractors	Provide construction support as well as socio-technical assistance to BBS	Indirect	May be replaced by another contractor	Close	Land, STA, Retrofit, Vulnerable, Heritage, Communication
	Consulting Engineers/Design Firms	Provide regulatory technical assistance as per municipal bylaws and BBS guidelines	Indirect	May be replaced by another Firm	Close	STA, Retrofit, Vulnerable, Heritage
	Social Mobilizers	Facilitate communication regarding BBS messages	Direct	May be replaced by other social mobilizers	Close	Policy, Finance, Land, STA, Retrofit, Vulnerable, Heritage, Communication

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Construction Professionals	Mobile Masons	Facilitate communication and demonstration regarding BBS techniques	Direct	May be replaced by other mobile masons	Close	Policy, Finance, Land, STA, Retrofit, Vulnerable, Heritage, Communication
Construction Business	Construction material suppliers	Supply construction materials, tools and equipment as per demand	Indirect	Possibly other/ additional Construction material suppliers	Close	STA, Retrofit, Heritage
	Construction material producers	Produce construction materials, tools and equipment as per demand	Indirect	Possibly other/ additional Construction material producers	Close	STA, Retrofit, Heritage
	Federation of Nepalese Chambers of Commerce and Industry (FNCCI)	Develop capacity and policy to meet recovery demand	Indirect	FNCCI	Further	Policy
	Confederation of Nepalese Industries (CNI)	Develop capacity and policy to meet recovery demand	Indirect	CNI	Further	Policy
	Developers	Facilitate mass recovery works	Indirect	Possibly other/ additional developers	Further	STA, Retrofit, Heritage
Media	Social Media	Facilitate public information	Direct	Possibly other/ additional Social Media	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication
	Journalists	Facilitate access to information on and analysis of recovery progress and challenges	Direct	Possibly other/ additional Journalists	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication

Agency/ Entity	Stakeholders	Roles in Urban Recovery	Current Involvement	Probable Transition Body/ Agency	Relation with Beneficiaries	Strategy Specific Component
Academia and Research	Researchers	Contribute to research and review of urban recovery process	Indirect	Possibly other/ additional Researchers	Further	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage
	Academic Institutions	Engage students and teachers in urban recovery through urban recovery related curriculum and technical assistance	Indirect	Possibly other/ additional Academic Institutions	Further	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage
Community	Ama Samuha \ (Mothers Group)	Assist in Savings, members who are beneficiaries can mobilize funds, and communicate demands to local government	In some cases, more active than others	Ama Samuha	Close	STA
	Youth Groups	More active in the rescue and relief stage. Can also be mobilized in recovery phase	Direct	Youth Groups	Close	STA
	Beneficiary	Recipients of technical and financial assistance	Direct	Beneficiary	Close	Policy, Land, STA, Finance, Retrofit, Vulnerable, Heritage, Communication

2. Methodology

This study uses both qualitative and quantitative methods. The study collected information from both secondary and primary sources. The secondary research investigated policy level literature, published documents from NRA, Housing Recovery and Reconstruction Platform - Nepal (HRRP), other government and non-governmental agencies, bi-lateral and multilateral organizations.

The primary data was collected using Focus Group Discussions (FGD), Key Informants Interviews (KII) and Questionnaire surveys at the beneficiary level, applying stratified random sampling. The Urban Reconstruction Technical Working Group (UR-TWG), consisting of partner organizations engaged in urban recovery, facilitated by HRRP and supported by NRA, developed the questionnaire and conducted the survey. Many of the field-level experiences and challenges faced by partner organizations working in urban recovery were documented. The geographic coverage of the survey was limited to only urban municipalities of the selected districts where UR-TWG had an active presence. As urban municipalities might have wards that are rural in nature, criteria were set so that surveys were conducted only in wards characterized as urban. The criteria for selection of wards within urban municipalities included: high population density, infrastructure availability, transport facility, occupation of population (more engaged in non-agricultural activity), market area, other urban settlement characteristics such as heritages, compact settlement, row housing, and festivals / processions. The areas were also selected such that they represented the diverse sets of urban areas such as heritage settlements, peri-urban, and core urban areas, areas with high numbers of retrofitting cases and land issues.

The UR-TWG, with support of the NRA, has conducted a qualitative and quantitative assessment of the identification, prioritization, and analysis of urban housing recovery issues. While the qualitative assessment was designed to identify and assess the major and broad challenges in the urban housing sector of recovery and reconstruction, the quantitative survey was executed to validate the issues and to determine to what extent those issues can be substantiated quantitatively through questionnaires at the beneficiary level. The qualitative assessment was carried out by the UR-TWG members through FGDs and KIIs. Figure 5 outlines the qualitative and quantitative study development process.

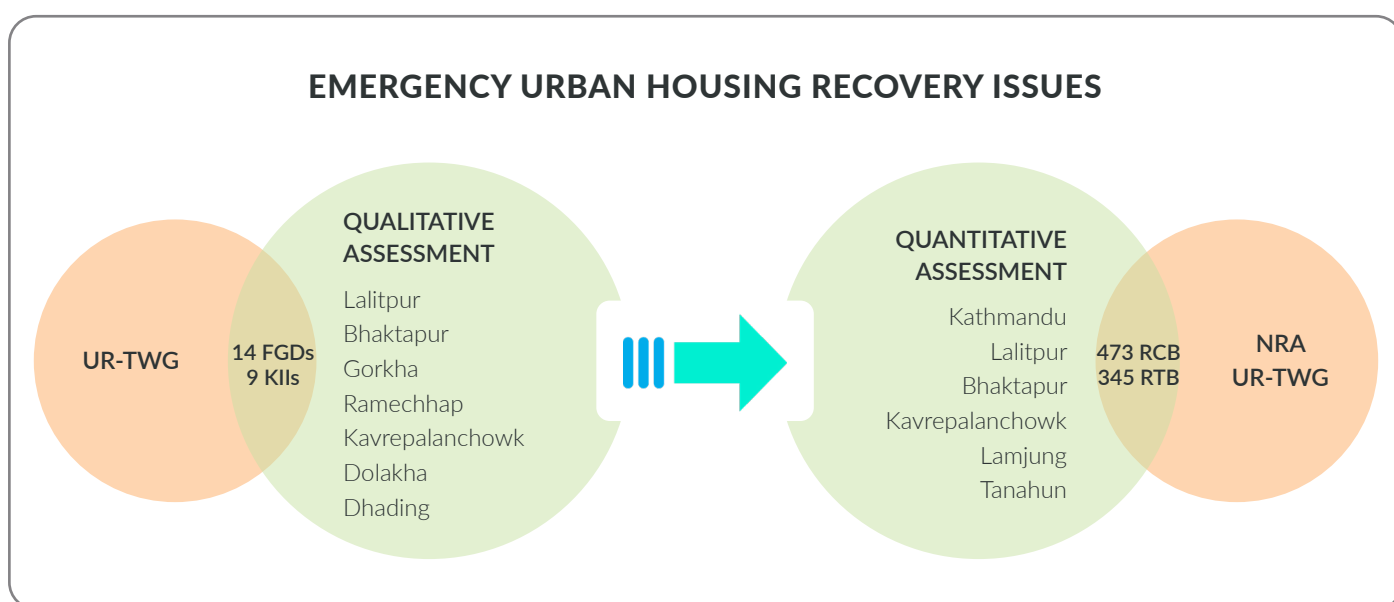


Figure 5: Development of qualitative and quantitative assessments with NRA & UR-TWG

The qualitative questionnaire was prepared based on urban issues identified through partner organizations' collective experiences, secondary research, and UR-TWG meetings. FGD survey was carried out between December 2019 and January 2020 in Lalitpur, Bhaktapur, Ramechhap, Dhading, Dolakha, Kavrepalanchowk and Gorkha districts. The UR-TWG carried out 14 FGDs with beneficiaries who had not been able to complete reconstruction and retrofitting: five with male beneficiaries, four with female beneficiaries and five with mixed groups of both male and female beneficiaries. The Group also carried out eight KII with ward officials and one with a mason, along with neighborhood visits. Three interviews were held with NRA officials and Central Level Project Implementation Unit (Building and Grant Management and Local Infrastructure) officials. Issues that emerged in the qualitative study were prioritized using a scoring method, in which each existing urban recovery issue from the FGD and KII was coded with a score. After coding 50-60 urban recovery issues from each FGD and KII, a score was calculated, by assigning values to each issue. By calculating scores for all identified urban issues, the most critical ones were established.

The quantitative survey was based on the findings of the qualitative results. The semi-structured questionnaire broadly covered the categories of land, reconstruction, access to information, heritage, NRA processes, access to finance, issues specifically affecting women and other vulnerable groups, and the impact of COVID-19 on reconstruction. The study was conducted by NRA municipal level technical staff with support from HRRP district coordinators in August 2020. The survey was conducted in Kathmandu, Lalitpur, Bhaktapur, Kavrepalanchowk, Lamjung and Tanahu districts. The enumerators participated in a half-day online orientation workshop, followed by a reflection session to gather their feedback upon completion of the survey. Due to COVID-19 related travel restrictions, beneficiaries were contacted through mobile phones. The reconstruction and retrofitting sample size for the quantitative assessment was estimated using stratified random sampling. For interviews, the survey targeted households stuck at the first and second tranches. The samples were drawn separately for retrofitting and reconstruction at a 95% confidence level. The desired sample numbers identified were 750 (396 for reconstruction beneficiaries and 354 for retrofitting beneficiaries) and these were later proportionately distributed to the selected wards of the six districts chosen on the basis of which districts have higher remaining caseloads. A total of 818 were collected at the end of the quantitative survey.

Table 5: Characteristics of the location and sample numbers collected in the quantitative survey (Aug 2020)

Local Government (Urban Municipality)	District	Reconstruction beneficiaries surveyed	Retrofitting beneficiaries surveyed
Bhaktapur	Bhaktapur	35	18
Changunarayan	Bhaktapur	40	0
Madhyapur Thimi	Bhaktapur	13	19
Banepa	Kavrepalanchok	39	14
Dhulikhel	Kavrepalanchok	38	21
Panauti	Kavrepalanchok	39	45
Panchkhal	Kavrepalanchok	35	61
Chandragiri	Kathmandu	35	17
Kathmandu	Kathmandu	65	19
Kirtipur	Kathmandu	20	7
Tokha	Kathmandu	10	5
Godawari	Lalitpur	20	20

Local Government (Urban Municipality)	District	Reconstruction beneficiaries surveyed	Retrofitting beneficiaries surveyed
Lalitpur	Lalitpur	31	19
Mahalaxmi	Lalitpur	14	5
Besishahar	Lamjung	6	0
Rainas	Lamjung	18	18
Bhanu	Tanahu	15	3
Byas	Tanahu	0	54
Sub-Total		473	345
Grand total		818 beneficiaries surveyed	

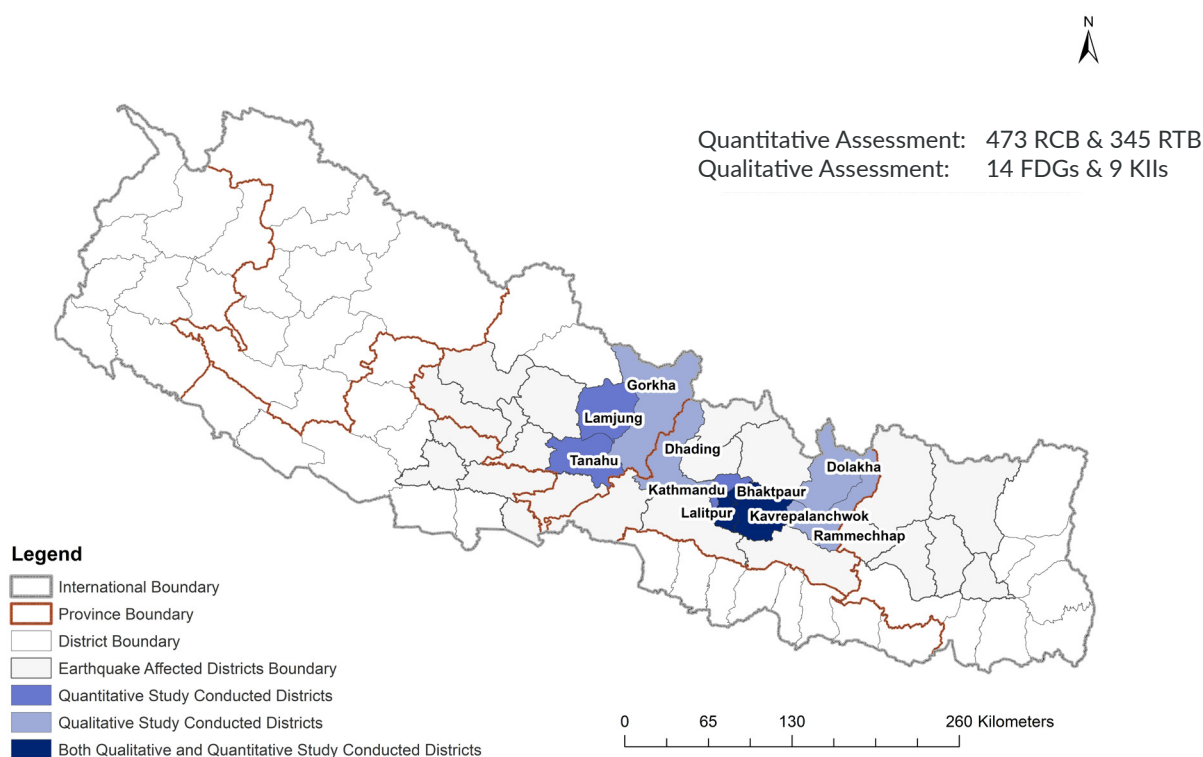


Figure 6: Districts covered in qualitative & quantitative survey (Jan 2020 & Aug 2020)

Limitations

- The geographic coverage of this study is 10 districts. All 32 earthquake affected districts are not covered in this study.
- The study has not discussed issues of informal settlements and rental housing.
- Due to sampling methods used for surveying, the data gathered might not include issues of sub-populations of a particular group or a particular geographical area.
- COVID-19 lockdown limited some consultations and delayed the field surveys with households. The quantitative questionnaire survey was carried out in August 2020 through remote survey modality.
- Recommendations presented are at a higher level and a wider stakeholder consultation is necessary to detail out each recommendation.

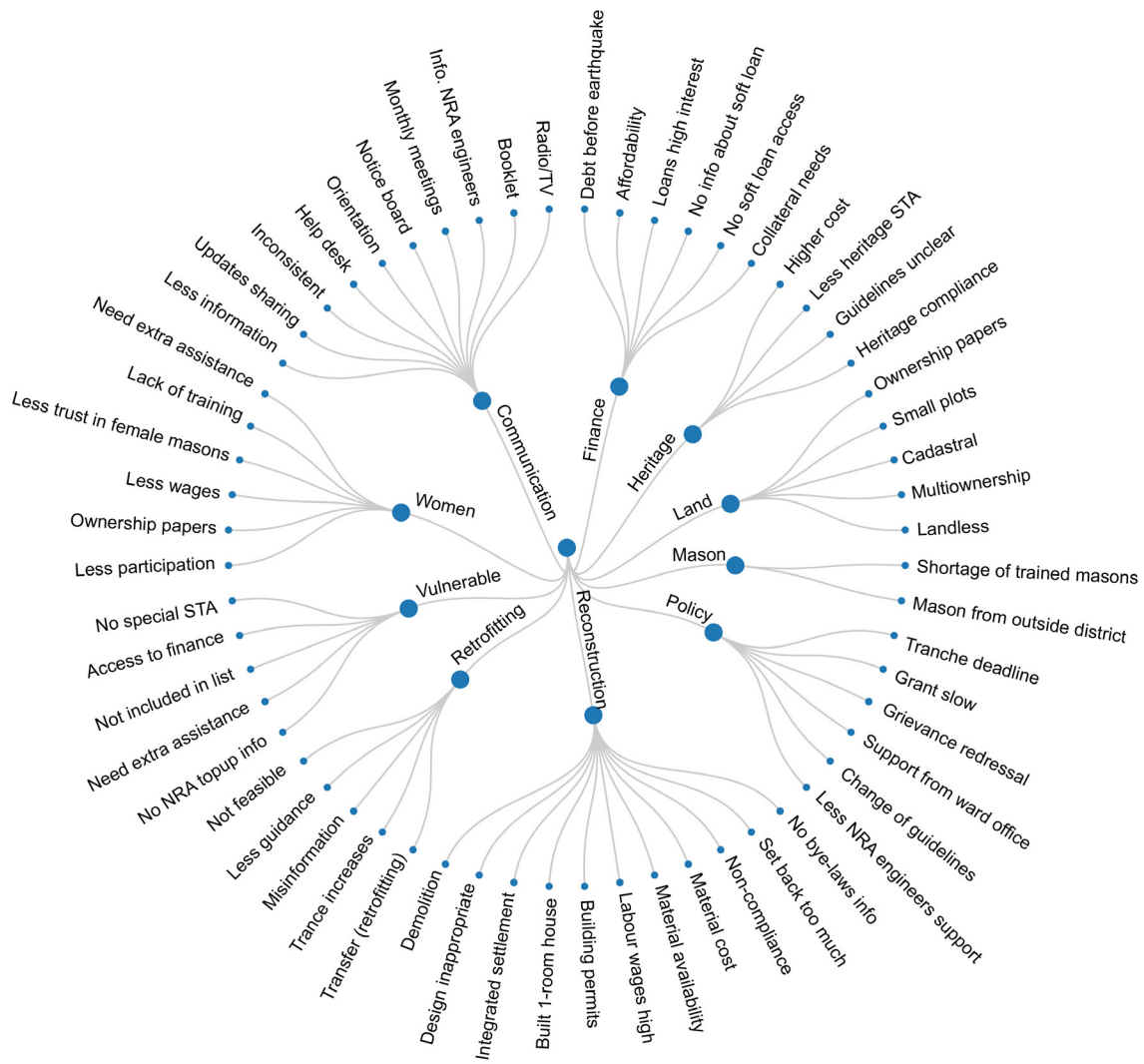


Figure 7: Dendrogram showing the urban recovery issues emerged in the FGDs of the UR-TWG's qualitative study. Source: UR-TWG, 2020

3. Urban Housing Recovery: Status Quo, Issues, and Recommendations

3.1 Access to finance

One of the biggest obstacles beneficiaries face in urban reconstruction is access to finance. After the earthquake, though people had land and some assets, they didn't have the required financial resources to immediately start rebuilding their houses. The construction costs in urban areas are far higher than in rural areas; given the smaller parcels of land available, people have had to build up instead of out, adding to the costs of rebuilding. Furthermore, heritage housing costs, and thus, financing requirements, are higher. In addition to the government's 300,000 NPR reconstruction grant, urban reconstruction. Policies should have been linked with flexible loans to facilitate the reconstruction of houses in urban areas.

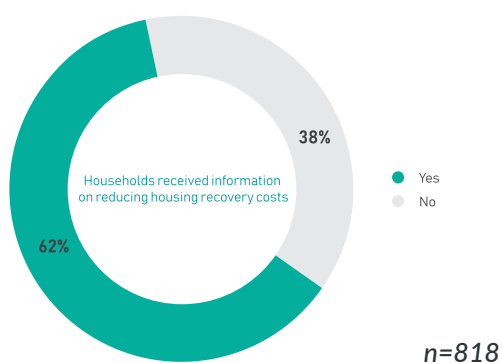
Presently, there is a provision of a loan of 300,000 NPR for reconstruction from the NRA with a 5% subsidy; however, as of Jan 2021, only 172 beneficiaries have received it. These are only for those stuck at the first tranche. Documents required to access the loan include: ID, citizenship, Partner Agreement, collateral documents, land papers, letter from ward stating that beneficiary has only received the first tranche, and proof of absence of default on a previous loan.

Findings from Quantitative Survey

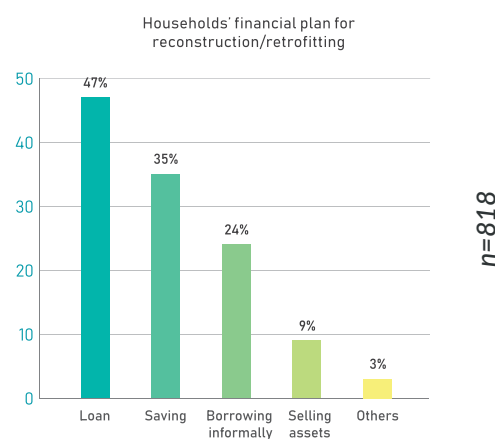
(n= 818, Reconstruction Beneficiaries (RCB) samples = 473, Retrofitting Beneficiaries (RTB) samples = 345)

Based on the findings from the reconstruction households, the average reconstruction cost was **3,075,512 NPR (26,000 USD)** and for the surveyed retrofitting households, the average retrofitting cost was found to be **402,628 NPR (3,400 USD)** at the time of the survey. Almost a quarter of the 473 reconstruction households surveyed have accessed loans for housing recovery. However, the demand for loans is still high amongst the rest, but the information on loans is low. 74% are not aware of the government's soft loan for reconstruction.

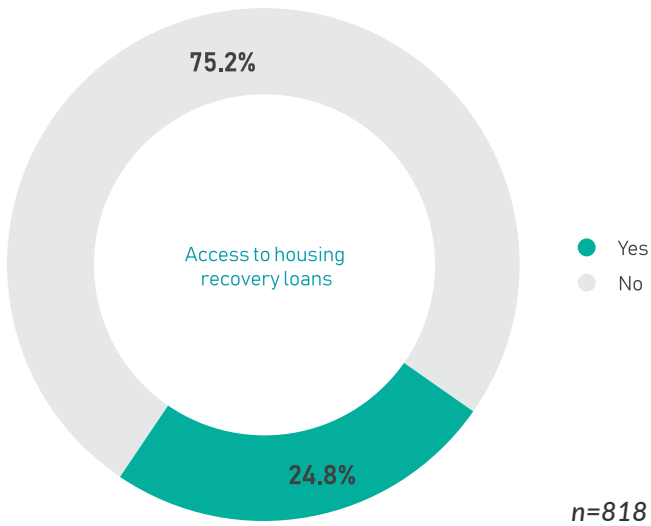
Quantitative Findings



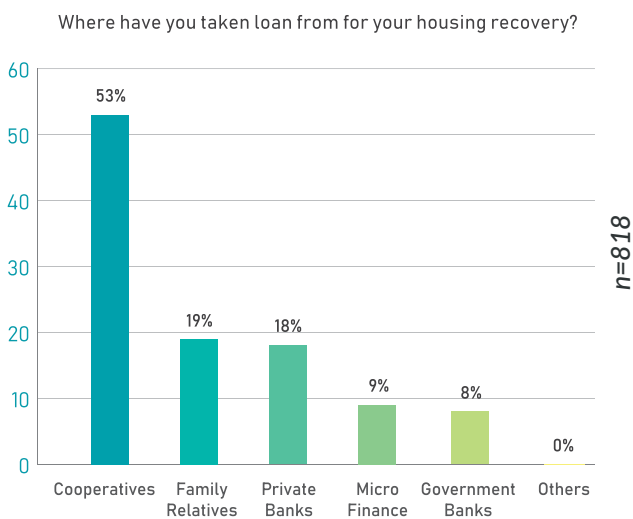
38% of respondents had received and 62% had not received any information about how to make their housing more affordable by using local materials and affordable techniques.



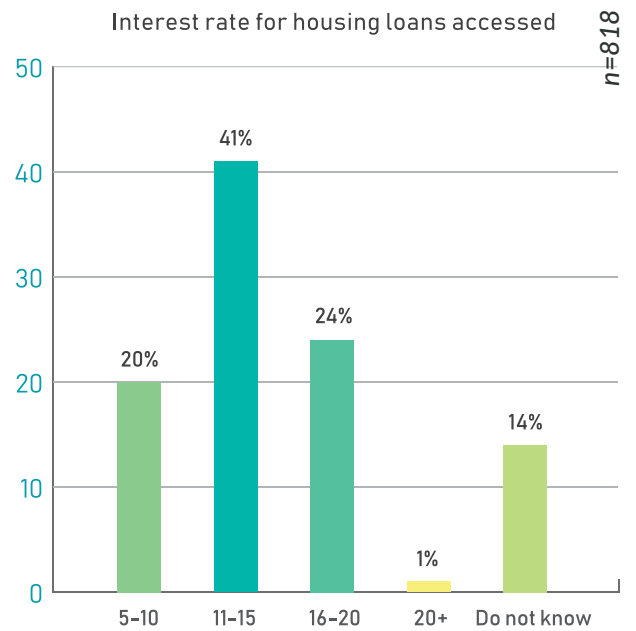
Almost half (47%) of the households surveyed for both reconstruction and retrofitting planned to, or had already taken loans for their housing recovery; 35% of the households had household savings that they spent for reconstruction / retrofitting; 24% borrowed the amount informally and 9% sold some form of their assets to finance reconstruction / retrofitting of their houses.



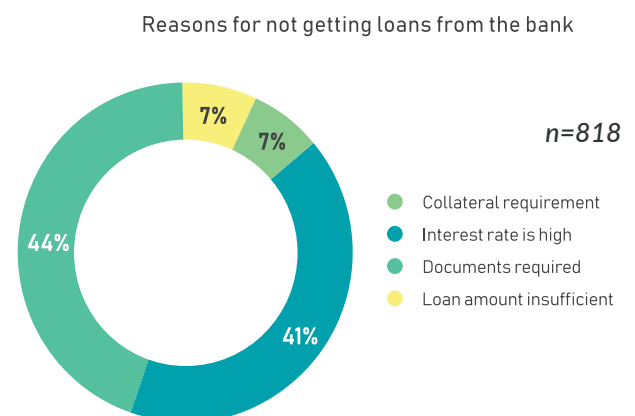
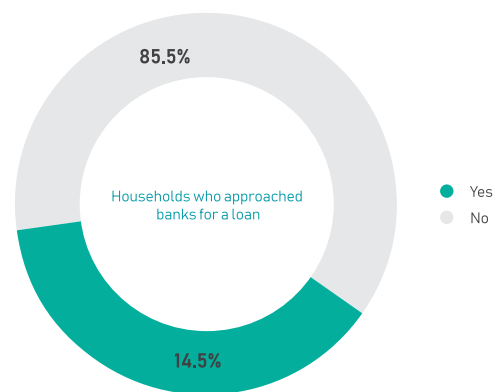
Almost a quarter of total retrofitting and reconstruction households surveyed had been able to access some form of financial loans for their housing recovery. A large portion of households don't have access to housing recovery loans.



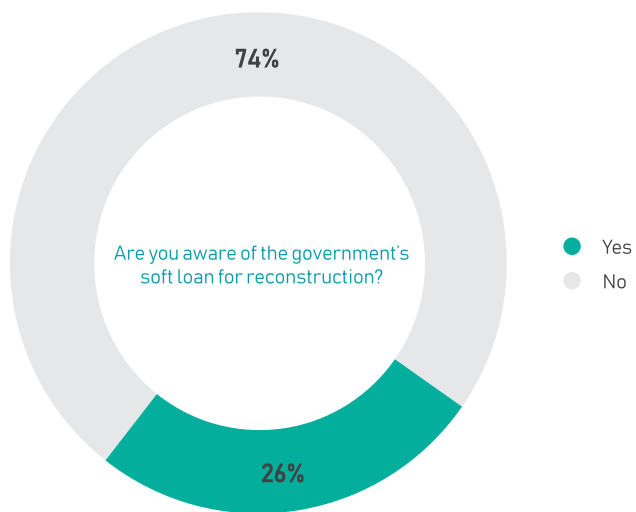
Of those who had accessed loans, 53% had borrowed from cooperatives, followed by family/relatives (19%), private banks (18%), microfinance institutions (9%), and government banks (8%).



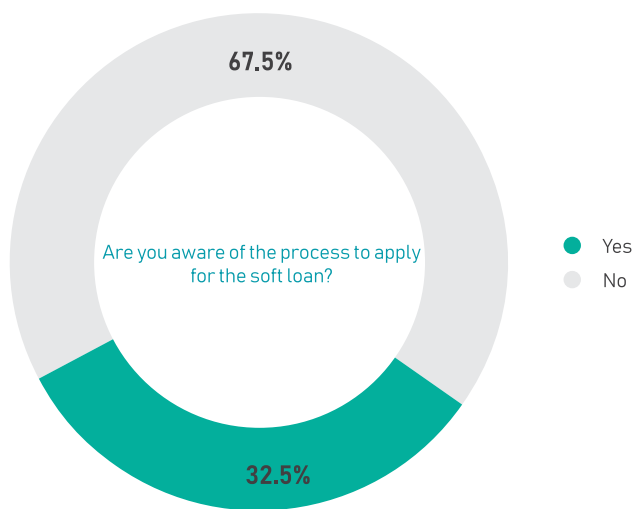
41% of respondents who had taken loans had interest rates between 11 to 15%, and 24% had taken high interest loans between 16-20%. 14% did not know the interest rates for their loans.



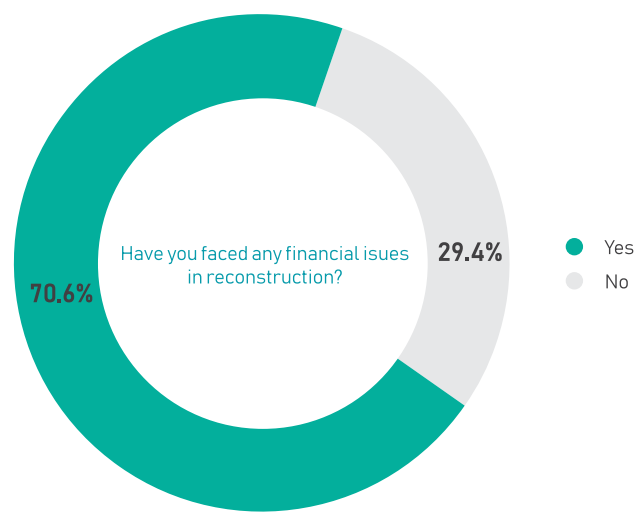
Only 15% of the total households surveyed had approached a bank for a loan. The reasons for 85% to not approach a bank included high collateral requirement, high interest rates and the perception that the banks would not give the household a formal loan.



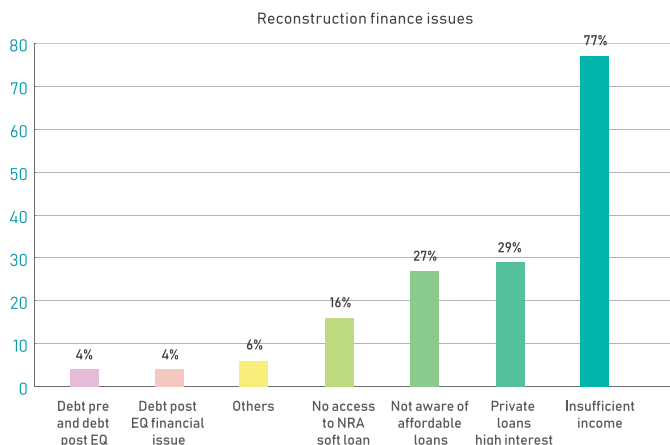
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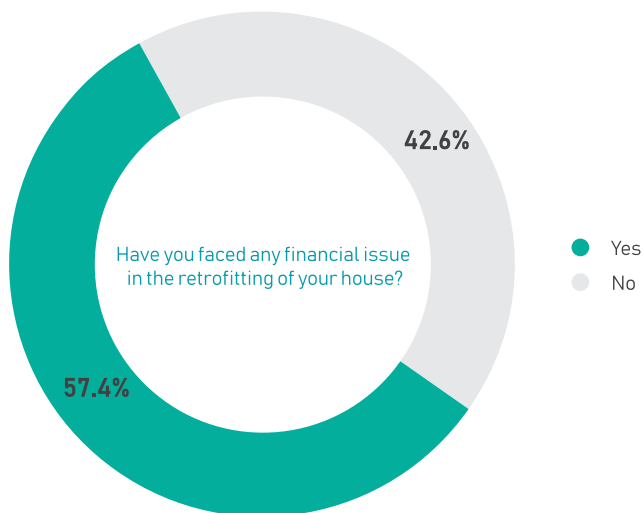
Only 26% of reconstruction households are aware about concessional loan scheme offered by GoN and further out of those who knew about the concessional loan, only 32% were aware of the process to apply for it.



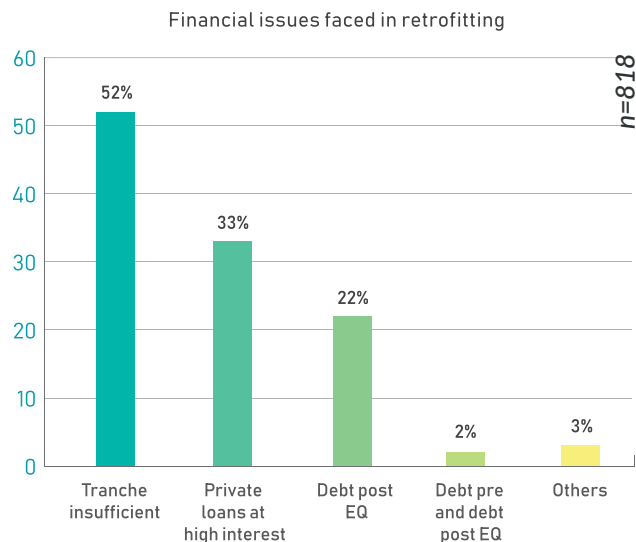
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Over 70% of households surveyed face financial issues in housing reconstruction. A large proportion, 77% shared that their income was insufficient, 29% have had issues of private loans taken at high interest rates, 27% were not aware of affordable loans, 16% stated their recovery issue as no access to NRA's soft loan. The issue of debt was visible in 8% of respondents with 4% stating they had pre-existing debt before the earthquake.



n=818



About 57% of surveyed retrofitting households faced financial issues in their retrofitting process. Many of these respondents faced multiple financial issues. Out of those who faced financial retrofitting challenges, more than half shared that the tranche is insufficient for the costs of retrofitting, 33% had taken private loans at high interest, 22% were in debt post the earthquake, and 2% had pre-existing debt before the earthquake.

Issues

Table 6: Summary of issues related to access to finance

S.No.	Components	Issues
1	Access to information	<ul style="list-style-type: none"> Inadequate information regarding the process of accessing grant or loan. Staffs of banks and local level do not have clarity about concessional loans Many local level authorities do not have knowledge about provision of NRs.50, 000 to the most vulnerable
2	Banks' requirements and documentation	<ul style="list-style-type: none"> Commercial banks do not show any flexibility when it comes to the process of accessing loans. Beneficiaries are required to present a number of documents such as lal purja (legal land ownership document), citizenship documents, certificate of salary, etc. Affected households resort to taking informal loans with interest as high as 30 to 40% There is a provision of a loan of 3 lakhs for reconstruction from NRA with a 5% subsidy; so far only 172 beneficiaries have received it. These are only for those stuck at the first tranche. The plot size must be more than 180 sq.m and it should have access to 4 to 6 m wide roads. Earthquake beneficiaries' sources of income and capacity to repay is assessed prior to financing, which contradicts the loan policy.
3	Access to soft loan	<ul style="list-style-type: none"> Documents required to access the loan include: ID, citizenship, Partner Agreement, collateral documents, land papers, letter from ward stating that beneficiary has only received first tranche and proof that beneficiary has not defaulted on a previous loan. The beneficiary must clear the 3 lakh NRA soft loan before being allowed to access any other personal loans from banks.
4	Cost of urban housing recovery	<ul style="list-style-type: none"> Urban housing recovery costs a lot more than rural housing recovery, especially in core urban areas. In Bhaktapur, Kathmandu, and Lalitpur, the median construction costs are 2,500,000 NPRs, 2,250,000 NPRs, and 1,200,000 NPRs, respectively. Urban housing involves the engagement of professionals, private consultancies, contractors, higher taxes, easy availability of modern materials, design and technology, among others.
5	Housing insurance	<ul style="list-style-type: none"> No Homeowner insurance for earthquakes currently exists
6	Discrepancy between Partner Organization and government funds	<ul style="list-style-type: none"> In some cases, POs have given the first and second installments of the reconstruction grant (as the grant amount changed from 2 lakh to 3 lakhs) and the third tranche was supposed to be provided by NRA. However, the process takes a lot of time and beneficiaries get discouraged from completing their houses.

S.No.	Components	Issues
7	Affordable construction	<ul style="list-style-type: none"> The housing recovery program has focused insufficiently on making the reconstruction more affordable, for example by using various local materials and cost-cutting techniques

Stakeholders

Households, ward/municipality, DLPIU(GMaLI), CLPIU (GMaLI), Media, NRA, Nepal Rastra Bank, Bankers Association, Commercial Banks/Microfinance Institute

Recommendations

1. Ease access to Loans

Increase support to beneficiaries from district and local level to access concessional loans and grass root level communication on loan provisions.

Banks should encourage innovative services and need SMS services to communicate updates to beneficiaries. Regular interaction meetings should be organized among beneficiaries, ward/ palika officials including social mobilizers, technical staff and finance stakeholders. One-page briefs should be prepared and disseminated locally to beneficiaries on concessional loan policies and procedures including NRA guidelines and policies.

Under the guardianship of Nepal Rastra Bank, CLPIUs/DLPIUs should establish a follow up mechanism. It was found during consultations with banks that they too do not have comprehensive and up to date information about all NRA and NRB policies. Up to date information about new decisions should be disseminated to banks through the Bankers' Association, a representative of all national banks. Regular meetings should be conducted between the NRA, NRB and banks to discuss issues arising in the field and to identify ways to address them.

Direct banks to honor the mandatory provisions of NRA's concessional loans, to increase access to concessional loans.

NRA and NRB should link concessional loan options with multiple other financial solutions to develop comprehensive affordable housing finance solutions. In addition to offering the 300,000 NPR reconstruction government grant, urban reconstruction initiatives should emphasize access to flexible loans to facilitate the reconstruction of houses in urban areas. While beneficiaries can apply with local cooperatives, microfinance institutions, and banks for housing loans, they are required to have a direct or indirect association with the local government.

2. Prepare and set-up Revolving Fund Guidelines

Assess the suitability of flexible Revolving Funds in the urban context and prepare Revolving Fund Guidelines for piloting in urban areas.

Setting up a revolving fund at the municipal level can boost the pace of reconstruction and support low-income families in accessing flexible finance for rebuilding their houses. Revolving funds can be managed and mobilized by ward representatives including NRA social mobilizers and ward disaster management committee (WDMC) representatives. This scaling up is a longer-term strategy, and it has the potential to turn into the norm for urban development as well as for Disaster Risk Reduction (DRR). For effective funds management, it will be necessary to revive the cluster

community committees for oversight and monitoring. Low interest rates with long-term loan repayment periods can support the reconstruction process in urban areas. This should be tested as a pilot in some municipalities before rolling out.

Linking the concept of seed funding to develop affordable housing finance solutions to various financial institutions (cooperatives, MFIs, banks) would be a possible way to sustainably implement a revolving fund intervention. This scaling up is a longer-term strategy, also with the potential for becoming part of the norm for urban development. Key stakeholders for financial management would be the municipalities in collaboration with community-based financial institutions/ Coops/ Women coops. The Municipal Association of Nepal (MuAN) can be approached for ways to scale up this model.

3. Institutionalize Housing Recovery Finance

Identify and institutionalize the process of housing recovery at the local level with engagements of NRA and NRB.

Government has ensured a housing reconstruction grant of 300,000 NPR and the provision of a 300,000 NPR concessional loan. Those amounts are received through Grant Management and Local Infrastructure (GMAI) and banks adhering to NRA Guidelines and providing concessional loans. The Ministry of Federal Affairs and General Administration (MoFAGA) and NRB have developed various related guidelines and procedures to institutionalize the process of housing recovery finance.

As another element of institutionalizing the housing recovery financing process, these guidelines are still undergoing amendments for optimal effectiveness. After the NRA's transition to respective transition bodies, this can also be part of NDRRMA and Ministry of Urban Development's (MoUD) mandate for urban recovery and development. Risk transfer and sharing mechanisms such as a homeowner earthquake insurance scheme can help transfer some of the risk liability through a market driven approach. The longer-term focus must be on mandatory earthquake schemes that allow coverage of higher and lower risk homeowners and help reduce premiums across the board with lower coverage.

4. Promote Affordable housing to reduce the cost of construction

Develop Socio-technical Assistance that promotes incremental housing, which would minimize the financial burden of housing reconstruction.

Promoting incremental housing: With socio-technical assistance made available along with full or incremental financing, families should be encouraged to build their houses incrementally so that the financial burden of reconstruction is minimized. Municipal level technical teams and NRA engineers can play a key role in this process. After the NRA's transition, this can also be part of NDRRMA and MoUD's mandate for urban recovery and development.

In addition to cash grants for owner-driven housing, innovation and implementation of affordable housing materials and techniques are critical to reduce housing costs, particularly with the engagement of the private sector. For this, guidelines, diverse solutions, and collaboration among multiple stakeholders is required.

5. Carry out community-based interventions

Coordinate with the Department of Cooperatives and cooperatives section in municipalities to reduce interest rates to boost the reconstruction process, while incorporating financial literacy education to strengthen cooperative institutions.

NRA in coordination with other entities, needs to facilitate in making funds (easy bulk loan) available to local community-based cooperatives to mobilize housing loans for reconstruction at reduced interest rates. Cooperatives exist in many areas, and most beneficiaries are members of local cooperatives. People in the rural or urban communities are more comfortable dealing with local cooperatives. If loans are easily available from cooperatives, this will help boost reconstruction.

Cooperatives require institutional strengthening support. The NRA should collaborate with the Department of Cooperatives and with municipalities to obtain information about the cooperatives in their respective areas. Under the new federal law, the responsibility of formation, development of cooperatives is under the jurisdiction of the local government. Instead of establishing new cooperatives, effort is required to strengthen the existing community-based cooperatives to lead the process and make it more people friendly.

Many lingering technical and administrative barriers hinder the speed of reconstruction. The remaining families who have not completed reconstruction at this stage are the poorest and the most vulnerable who will need a great amount of financial, technical and administrative support to complete reconstruction. NGOs and local organizations are the ones who can provide the necessary support. Those organizations need to be mobilized and provided with their operating costs to work with the beneficiaries.

3.2 Land

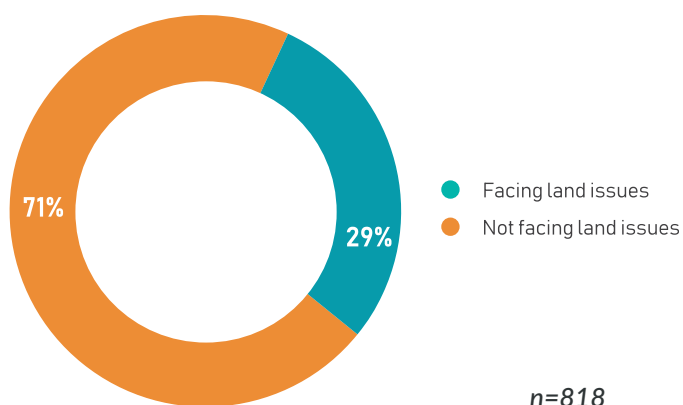
State land represents 73% of the national territory. Guthi land (0.03% of land in Nepal) belongs to religious bodies and comprises temples and monasteries as well as religious schools and hospitals. Farmland can also fall in this category, even if the religious body has leased it. Guthi land is not subject to taxation.^[14] Private land accounts for the remaining 27% of land in Nepal. It can be acquired by purchase, inheritance or government allocations. It is subject to taxation.

Findings from Quantitative Survey

(n= 818, RCB samples = 473, RTB samples = 345)

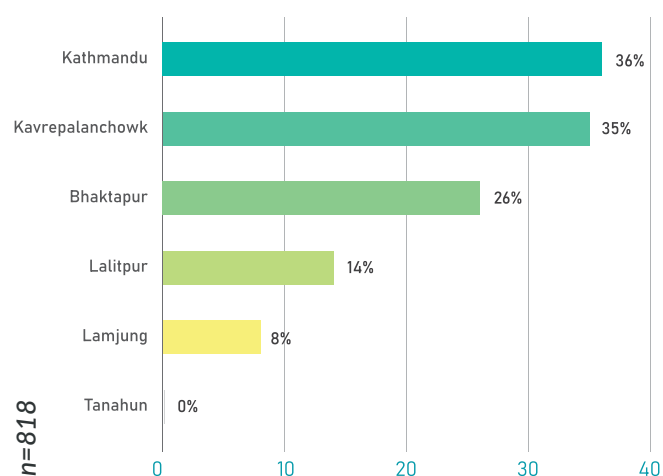
Quantitative Findings

Households facing Land issues



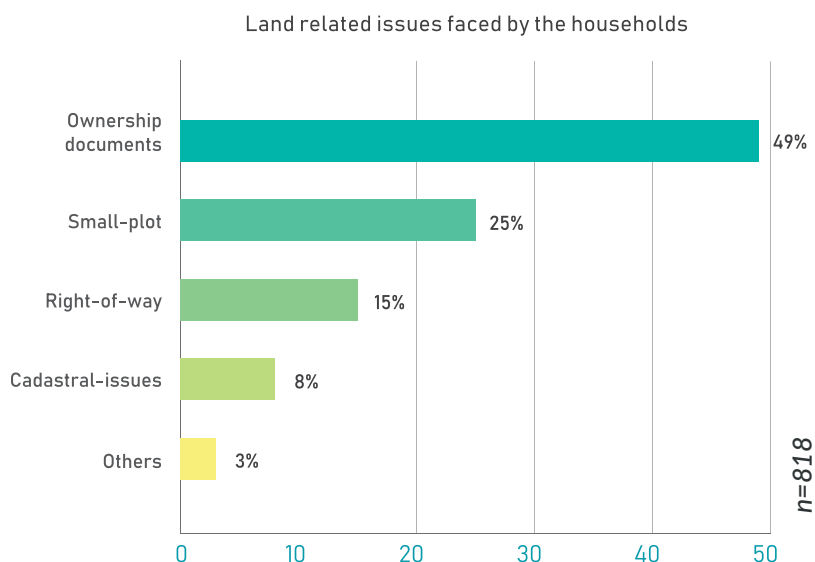
About 29% of all 473 reconstruction households surveyed face land issues in their housing recovery process.

Percentage of households facing land issues

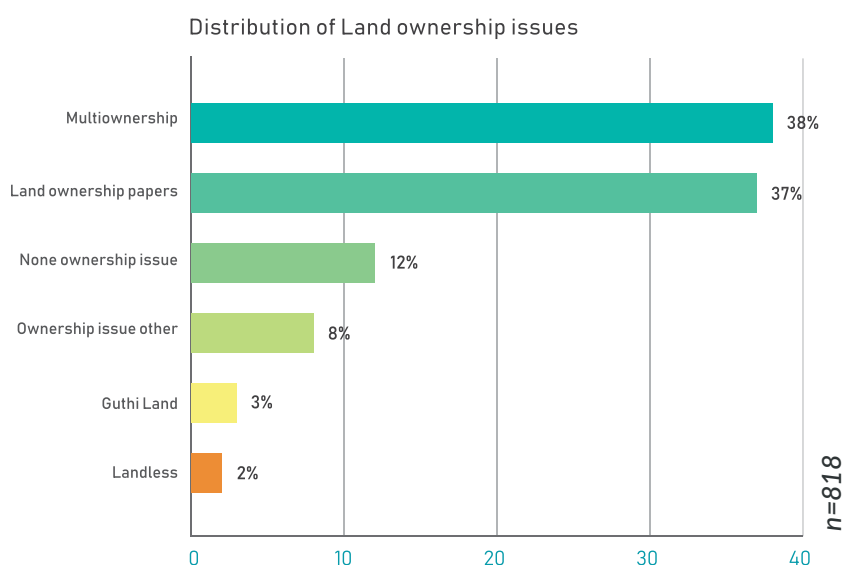


More than one third of households surveyed in Kathmandu (36%) and Kavrepalanchok (35%) faced land issues. 26% of those surveyed in Bhaktapur and 14% in Lalitpur had land barriers in their urban housing recovery. From the survey findings, the land issues in Lamjung were low in comparison at 8%, and are absent in Tanahun.

[14] United States Agency for International Development, *USAID Country Profile, Property Rights and Resource Governance, Nepal* (USAID, 2010) page 12. (accessed 02/2021)
https://www.land-links.org/wp-content/uploads/2010/09/USAID_Land_Tenure_Nepal_Profile.pdf



Almost half of the respondents with land issues faced ownership challenges. This was followed by small plot issues (25%), Right of Way (RoW) (15%) and cadastral issues (8%). In case of RoW issues, the household either did not have an access road to the plot, or had to leave a setback for road expansion. There is minimum land area required by household if they want to construct their house. However, for many households after leaving their land for RoW, the land area becomes insufficient and a household does not receive a building permit. More research is required on the impact of RoW in Nepal’s urban housing recovery.



Out of the ownership issues identified in this study, over one third are multiple ownership issues, and more than one third are concerning ownership documents. One limitation of the study was that very few Guthi -related issues and landlessness issues were identified in the survey because of its remote modality. More targeted study is required on their housing recovery.

Issues

Table 7: Summary of Issues related to land

S.No.	Components	Issues
1	Land Certificate	<ul style="list-style-type: none"> Some beneficiaries do not have land certificates as they either were living as squatters or on state land forming informal settlements. Some beneficiaries had been living in someone else's land as verbal consent and did not possess contract documents to justify it.
2	Single plot of land	<ul style="list-style-type: none"> Many families cohabit on a single plot of land and such multi occupancy of families is not accounted for.
3	Guthi land	<ul style="list-style-type: none"> People residing on Guthi land for decades don't possess land ownership certificates. Many people residing on Guthi land have not been paying revenue to the Guthi; hence, they have not received permission to build their houses while years of unpaid revenue have piled up.
4	Land-use plan	<ul style="list-style-type: none"> Relocation of many settlements was completed prior to geohazard studies and the publication of their results. New locations were selected with limited consideration for livelihood options; land-use plan has not been prepared at the municipal level. Some families have self-relocated to unplanned areas.
5	Future expansion of settlement	<ul style="list-style-type: none"> Several integrated settlements have been built, or are in process of being built, while land-use plans have not been completed at the municipal level. There are risks of losing agricultural land, forest area and there is no consideration of the future expansion of settlements.
6	RoW	<ul style="list-style-type: none"> Due to bylaws, RoW of various roads, and riparian setbacks, the average size of land parcels has significantly reduced; in many cases, people have become either landless or left with little land that is insufficient for reconstruction.
7	Landless People	<ul style="list-style-type: none"> Landless people have received an additional 200,000 NRs for land purchase, but there is no provision for ensuring that the selected land is safe from geo hazards.

Stakeholders

Municipality, Ward, Local beneficiaries, DLPIU/GMALI, DLPIU/ Building, NRA, NRA Engineers, Partner Organizations, Donor agencies, Land revenue office, Department of land management and archive, Guthi Sansthan and Guthis

Recommendations

1. Municipal lead on land issues profiling and extended facilitation

Identify local land issues with guidance of municipal leadership.

It is important to identify types of land that will support those who require assistance. Municipalities can lead this

identification process. Many municipalities have strengthened their bylaws and many roads are planned or are already in the process of being constructed. In light of the new bylaws, the RoW of various roads, in addition to riparian setbacks, the land parcel size has been reduced significantly and, in many cases, people are left either landless or with a plot of land that is insufficient for reconstruction.

Municipalities can provide monetary compensation for RoW or support in acquiring land for construction in a new location. Several integrated settlements have been built, or are in process of being built, while land-use plans have not been completed at the municipal level. There is risk of losing agricultural land and forest area and there is no consideration of the future expansion of settlements. The relocation of many settlements took place prior to the completion of geohazard studies. New locations have been selected without considering the prospects of people's livelihood, and land-use planning to ensure planned relocation have not been completed by municipalities. Finally, using the additional amount promised by the government to purchase land, some residents have voluntarily relocated to different locations.

Establish municipal mechanisms to facilitate land ownership processes through necessary municipal certification/recommendation for issues within municipal reach.

Local authorities can initiate the resolution of land ownership paper issues in coordination with the Department of Land Management and individual family units. However, in the case of those residing in informal settlements, advocacy and policy level interventions along with SOP are required to enable the transfer of land ownership papers. For example:

In the long run, policies need to be developed to support and facilitate longer term land issues through national and local stakeholder engagements.

2. Develop Guthi Guideline

Identify the prevalent issues not covered by Guthi Guideline.

The Guthi can decide on the issues it has and it can coordinate along with the municipalities and the NRA to allow beneficiaries to construct their houses by recommending that the tiro (the revenue that needs to be deposited to the Guthi) can be managed with payment installments or with some subsidies on fines so that beneficiaries are not overburdened. The Guthi Corporation, NRA, and relevant government entities can devise guidelines on resolving ownership and tiro issues. People residing on Guthi land for decades don't possess land ownership certificates; and as they cannot rebuild without a land ownership certificate, they were displaced after the earthquake. Further, many people who have been residing on guthi land have not been paying the revenue to the guthi and hence, they have not received permission to build their houses. Additionally, years of unpaid revenue dues have piled up for these residents. Therefore, Guthi Guidelines need to be revised to address major Guthi issues, including the consideration of multi-hazards.

3. Develop affordable housing programs

Promote affordable housing programs for urban poor, squatters and inhabitants from informal settlements.

In case of urban poor, squatters, or residents of informal settlements, the government can initiate affordable housing

units or apartments to address their needs. Even though some past efforts didn't work well, applying lessons learnt from past failures could help to develop successful affordable housing projects for the rehabilitation of urban poor or urban squatters.

4. Develop programs to mitigate geo-hazard risks

Invest in projects that would mitigate geo-hazard risk.

In line with the National Policy for Disaster Risk Reduction (NPDRR) 2018 there is a need for open source availability of comprehensive multi-hazard risk assessment and mapping at federal, provincial and local levels to inform housing and infrastructure decision making. This will require multi-governmental coordination under the leadership of the National Disaster Risk Reduction and Management Authority (NDRRMA). If relocation is inevitable, the selection of land must be planned as per the land-use plan and community involvement in the planning, development and reconstruction phase is essential for long term sustainability.

Site selection for integrated settlement must be done as per the land-use plan and prospects of future expansion of the settlement must be considered prior to construction and development. Moreover, the involvement of the local community in the development and construction of a settlement is essential for its long-term sustainability.

Municipal level governments should come up with their own land-use plans and should check whether the land purchased by the landless people through NRA grants is free of geohazard risks.

3.3 Compliance with heritage norms

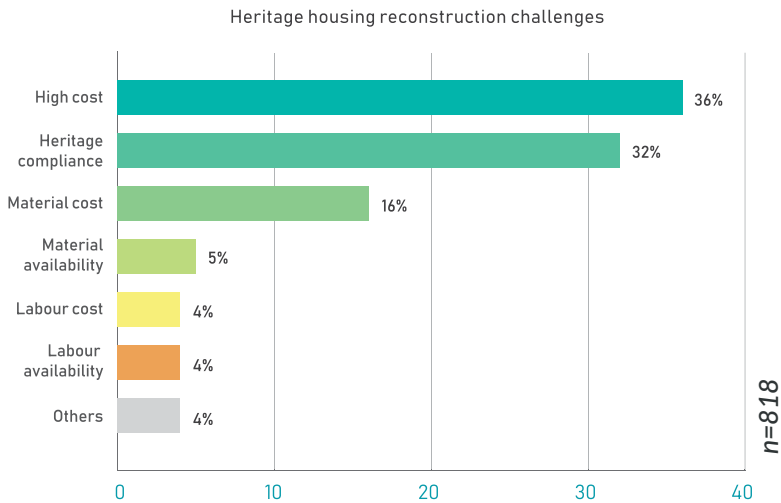
As per the document prepared by National Planning Commission, Nepal Government, the Post Disaster Needs Assessment, the main earthquake and prolonged aftershocks caused damage to seven out of ten World Heritage sites in the Kathmandu Valley. Some of the new building by-laws including specific requirements regarding building height, road width, etc. render the rebuilding of traditional Newar settlements impossible and do not consider the needs of the residents. Based on the Grant Disbursement Procedures for Private Houses Destroyed by the Earthquake (2019), if reconstruction is undertaken using traditional techniques for traditional settlements, upon recommendation of the local/municipal government, an additional 50,000 NPR will be granted on top of the private reconstruction grant.

Findings from Quantitative Survey

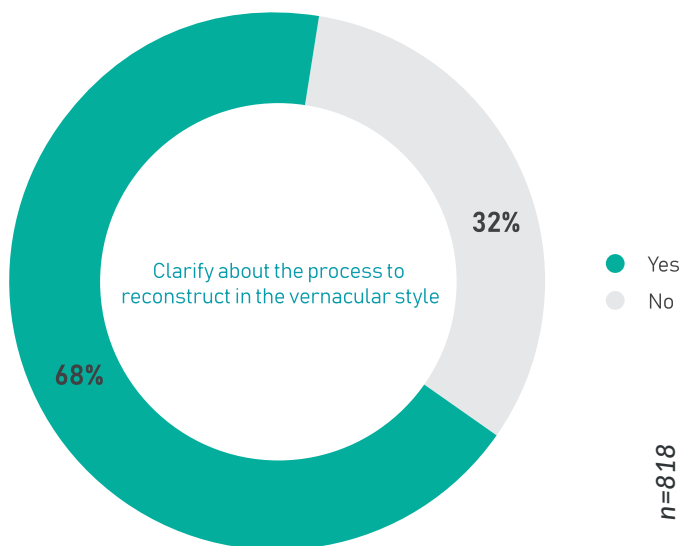
(n= 818, RCB samples = 473, RTB samples = 345)

Among the 818 samples collected, 120 samples were specifically conducted in heritage settlements (of those, 72 for reconstruction and 48 for retrofitting). In this study, 15% of all the reconstruction surveys were conducted with households living in heritage wards. These wards not only have to comply with the National Building Code and Municipal bylaws, but also have to adhere to the Department of Archaeology's (DOA) heritage compliance rules, such as number of storeys, and maintaining a sloped roof.

Quantitative Findings



Over a third of the households surveyed in heritage wards shared that the high cost of reconstruction was a challenge they faced, followed by heritage compliance requirements, also faced by nearly one third of the respondents. Other issues included material availability, and labor cost and availability.



Of the reconstruction beneficiaries surveyed in heritage wards, 68% were clear on the process of reconstruction in vernacular architecture and preservation of aesthetic value.

Issues

Table 8: Summary of issues in Heritage Settlements

S.No.	Components	Issues
1	Local body issues	<ul style="list-style-type: none"> Traditional and heritage settlements identification and demarcation was undertaken without or with incomplete documentation and without proper communication with households.
2	Policy issues	<ul style="list-style-type: none"> Vertical sub-division and multiple ownership are not addressed in government policy. Insufficient land size (small parcel of land) in core traditional areas has not been sufficiently addressed. NRA inspection checklists for technical verification do not adequately cover local preservation. Modern materials are more easily available than traditional ones. The extra 50,000 grant promised by NRA for houses built in traditional and heritage settlements is not easily available for beneficiaries and further, the extra support from the municipal level to preserve the traditional settlement is unclear.
3	Migration	<ul style="list-style-type: none"> An increasing number of households are outbound to seek better opportunities. Reduction of visitors as cultural and traditional practices are limited to senior and often aged members of the community.
4	Human and financial resource	<ul style="list-style-type: none"> Technical professionals working in reconstruction and regeneration of traditional and heritage settlements lack detailed knowledge about the reconstruction modality. Diminishing number of local artisans, masons, and craftsmen capable of locally preparing traditional materials Resources are allocated for big structures of national interest, such as Darbar squares and big monuments. Patis, small temples in the small squares which give value to that area have not been considered while allocating funds.

Stakeholders

Department of Archaeology, Community Reconstruction Committee: Heritage Committee, Municipality, Ward, Local beneficiaries, Suppliers (Carving and ancient supplies), Masons: trained in vernacular techniques, Craftsmen, Contractor/private sector, DLPIU/GMALI, DLPIU/Building, NRA, NRA Engineer, Financial Institutions, Partner Organizations, Donor agencies, Land revenue office, Department of land management and archive, KVPT.

Recommendations

1. Establish mechanism at local levels for heritage support.

Install Socio-Technical Assistance (STA) helpdesk for heritage related communication combined with planned monthly schedules of DoA support at local level.

Two levels of compliance are required for heritage areas: reconstruction and heritage. An integrated mechanism of locally stationed STA helpdesks can best assist heritage beneficiaries. This will also help heritage and reconstruction professionals understand the combination of compliance requirements. Along with the helpdesk support, additional STA activities related to heritage construction awareness is essential. This can support communication on heritage related top-ups, compliance needs, etc. Further, a mechanism needs to be established to facilitate the building permit approval processes both from the municipality and the DoA. Monthly schedules of DoA visits and approvals need to be planned at the municipal level through necessary official municipal processes. This will limit and shorten the time to acquire building permits for heritage construction. This heritage support mechanism at the local level can in the long run also work to identify standard minimum STAs to integrate heritage into the STA package.

2. Increase capacity of heritage technical persons and craftsmen.

Produce skilled masons, carpenters, etc. through craftsmen training.

The HRRP's data on mason and craftsmen training clearly suggests that fewer trainings were conducted in urban areas compared to rural areas. Further, there is no evidence of heritage related trainings conducted by partner organizations. Because post-earthquake heritage reconstruction requires more highly skilled craftsmen and because the earthquake damage in heritage settlements is quite significant, there is a clear need for heritage related craftsmen trainings in order to prepare enough skilled masons and craftsmen specifically for heritage reconstruction. These trainings can ultimately also help feed into future heritage related vocational and educational training curricula.

3. Extend support to heritage areas.

Identify plans to support heritage areas considering heritage related issues like demolition, debris management, adjoined structures, etc.

Although no clear statistics are available, it is widely known that demolition, debris management, retrofitting, etc. are the major challenges in heritage areas. The heritage settlement also comprises adjoined buildings. Therefore, reconstruction in heritage areas need to move ahead not with individual beneficiaries, but with community level planning and a settlement approach. It is thus required to identify plans to support heritage construction involving all relevant stakeholders.

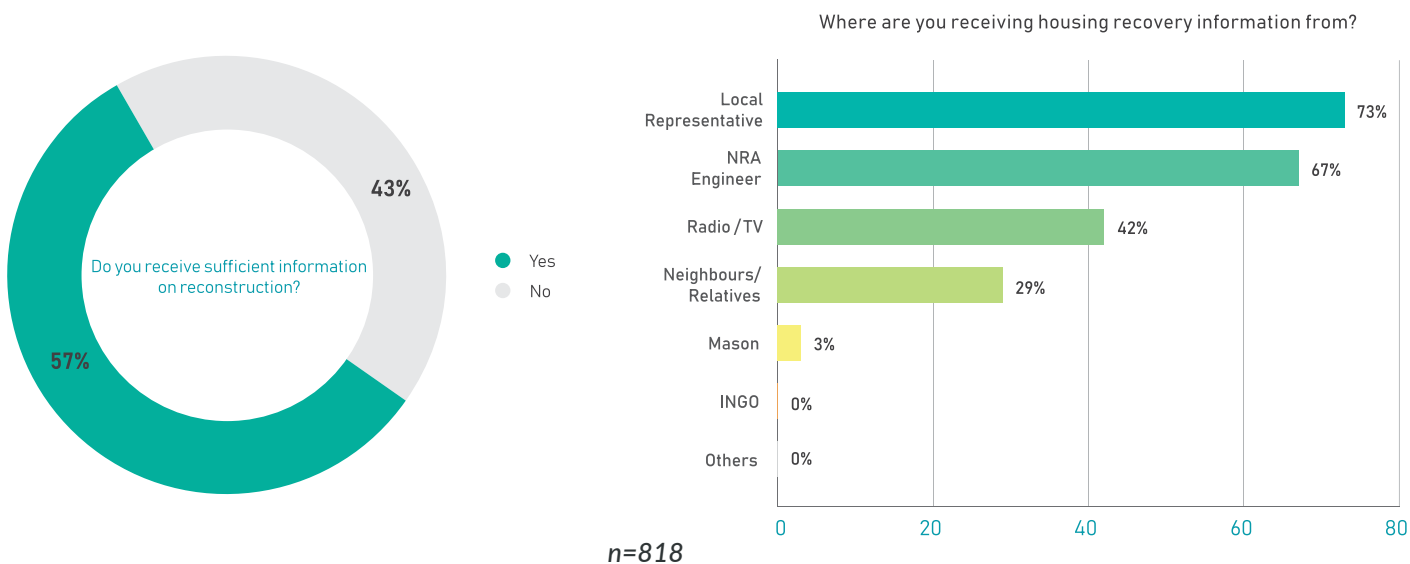
Preparing master plans of heritage areas with urban regeneration plans/activities is one of the best ways to move forward with heritage reconstruction in the long run. Urban regeneration plans not only help in developing site- and need-specific plans; they also help to connect heritages with urban entrepreneurship and tourism through the formation of various community groups. Additionally, land pooling schemes can be introduced to heritage settlements to improve standards. Multi-ownership might be a challenging issue for new settlement developments; thus, more innovative solutions should be developed along with the implementation of a multi-ownership guideline. The multi-ownership guideline too can be revised to accommodate multiple retrofit beneficiaries.

3.4 Communication

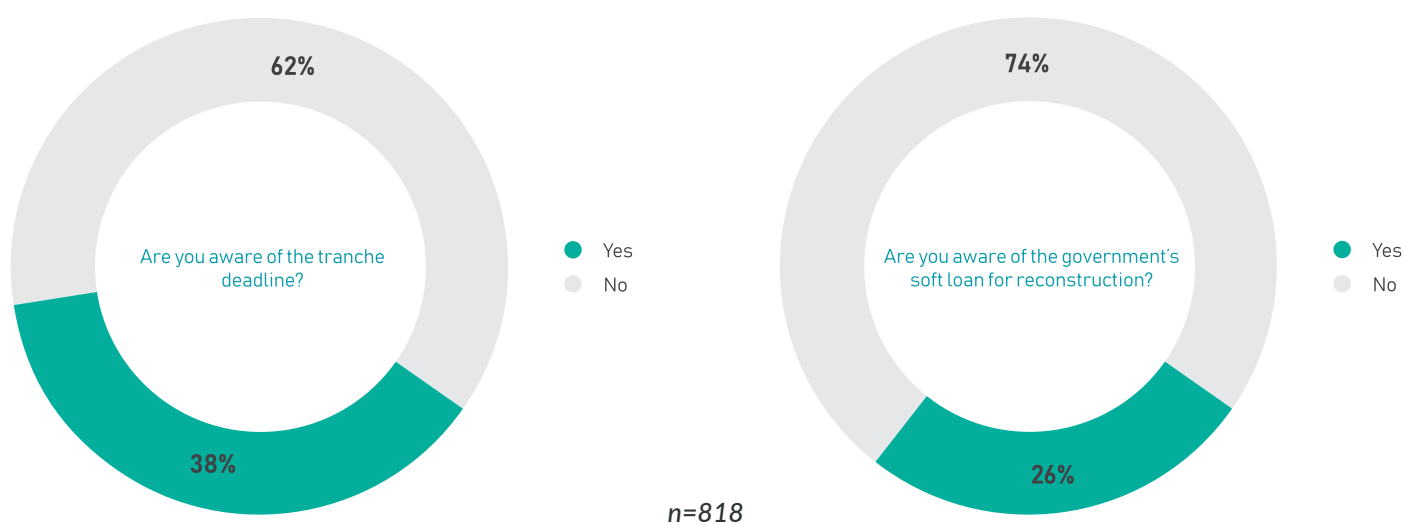
Findings from Quantitative Survey

(n= 818, RCB samples = 473, RTB samples = 345)

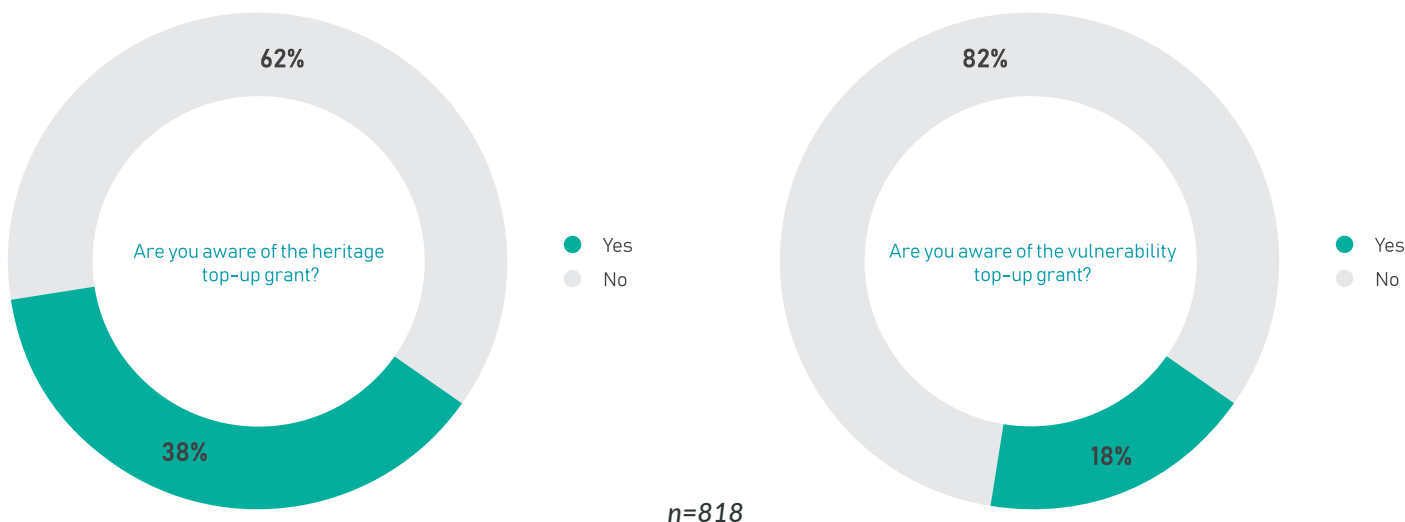
Quantitative Findings



57% percent of respondents received sufficient information on reconstruction. The largest source of information was through local ward level representatives (73%), followed by NRA engineers and technical staff (67%). Another effective source of information was through media like radio and TV (42%, although for vulnerable beneficiaries the information from media was much less: 23%), and through word of mouth in the community and family (29%). The survey findings show a less active partner presence in urban housing recovery and reflect that the surveyed households had not received consistent information on housing reconstruction from partner organizations.



At the time of survey 38% households were aware and 62% were not aware of the next tranche deadline. Regarding the government subsidized reconstruction loan: Approximately three quarters of the reconstruction respondents were not aware of NRA's 5% subsidy loan.



38% of respondents living in heritage wards were aware of the heritage top-up grant, while 62% had not heard of it. 82% of the households surveyed in NRA’s vulnerable list were not aware of the vulnerable top-up support grant.

Findings From The Qualitative Study

(14 Focussed Group Discussions, 9 Key Informant Interviews)

In terms of **information access**, the most common source for updates is from the ward office and through NRA engineers. Lack of timely information is a widely cited issue, and there is a demand for help desks at ward level, especially for vulnerable beneficiaries. Inconsistency in information has been linked to weak information channels along with change in reconstruction guidelines.

Issues

Table 9: Summary of issues of the existing Communication Strategy

S.No.	Components	Issues
1	Information flow	<ul style="list-style-type: none"> Gap in information flow from central NRA to local level or community level
2	Communication model	<ul style="list-style-type: none"> No set and effective communication strategy practiced at municipality or ward level Local bodies are primary source of information in terms of communicating key extracts from directives from NRA to beneficiaries.
3	COVID-19 impact	<ul style="list-style-type: none"> Exacerbated lack of access to information for vulnerable population.
4	Timeliness	<ul style="list-style-type: none"> Turnaround time for beneficiaries looking for information is high: delayed information about tranche status, grievance, conversion from reconstruction to retrofitting and vice versa, and technical information

Stakeholders

Households, NRA, DLPIU, CLPIU, municipality and wards, social mobilizers and mobile masons, masons and contractors, and partner organizations

Recommendations

1. Establish an effective two-way communication system.

Identify communication gaps and major stakeholders in the current mechanism to establish a user-friendly, two-way urban communication channel.

Since consistent information flow has been identified as one of the major challenges in urban areas, the gaps need to be identified and analyzed. Multiple tiers of communication channels might delay information flow, so updated contact list of districts, local levels and wards at the national level can help distribute information from the national to the ward levels promptly. It is also important to ensure that the wards have received information. This computerized system of communication too can cater well to the urban beneficiaries who can either directly access information from the national or municipal systems. Door to door communication might not be an option in urban areas, but there needs to be a ward level communication mechanism to reach beneficiaries, in particular, vulnerable beneficiaries. Similarly, as communication is a two-way process, the bottom-top communication channel too needs to be effective. The already existing central and district websites, toll-free numbers, radio-tv messaging etc. can be reviewed and upgraded if necessary, to meet the urban requirements. In the same manner, revisiting the stakeholders and their roles can support the strategizing of the communication needs of the remaining urban caseloads into a communication strategy; this will also be an important document for planning communication after NRA's exit and handover.

In the long run, possible innovations, stakeholder (mostly media) engagement in the communication strategy can be revised and endorsed by all relevant entities to ensure continuation of user-friendly two-way urban communication.

3.5 Socio-technical assistance (STA)

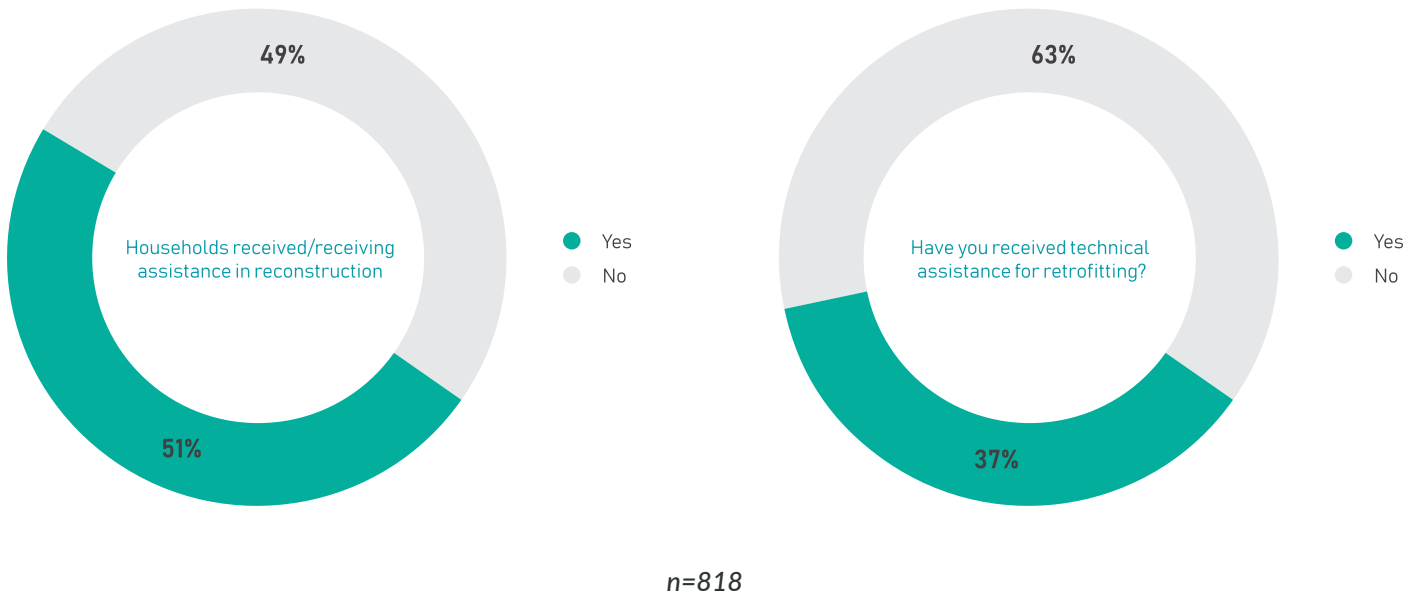
Technical assistance is an interpersonal activity, requiring many roles: from defining building regulations to advising households on construction budgets, and from government, private sector, and assistance backgrounds. Technical assistance is broadly defined as a range of social and technical support - in the context of housing recovery - who support to provide and apply appropriate standards and guidance for construction and ensure correct information reaches all communities and households in a timely, consistent and effective manner. To address the gaps and duplication on the coverage of socio-technical assistance across the earthquake affected districts and provide uniform socio-technical assistance, a seven-component Socio-Technical Assistance Package was designed by HRRP and endorsed by NRA. The components are:

- i. Community/Household Orientations
- ii. Continuous door to door technical assistance (mobile technical support)
- iii. Short training for masons
- iv. On the job training for masons / Vocational training
- v. Helpdesk/Technical support center
- vi. Demonstration construction
- vii. Community Reconstruction Committees

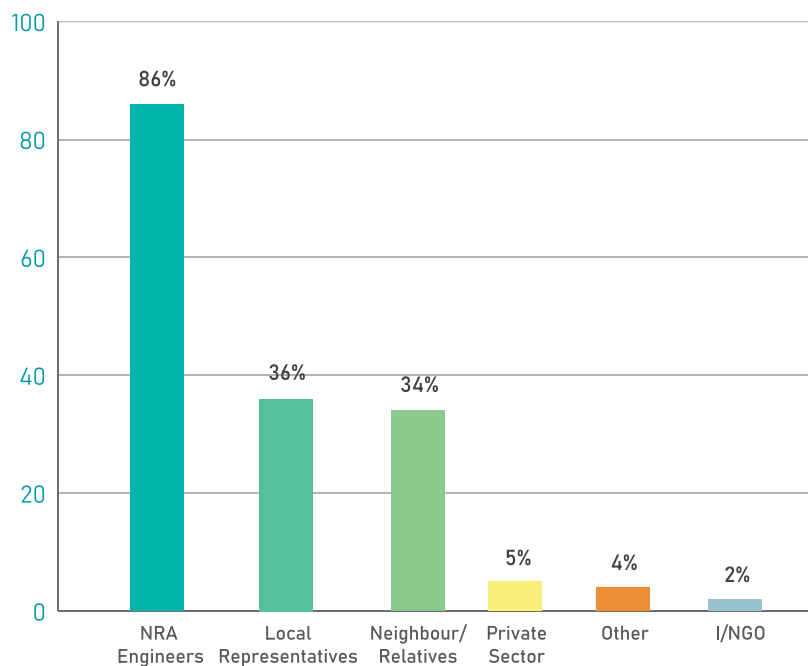
Findings from Quantitative Survey

(n= 818, RCB samples = 473, RTB samples = 345)

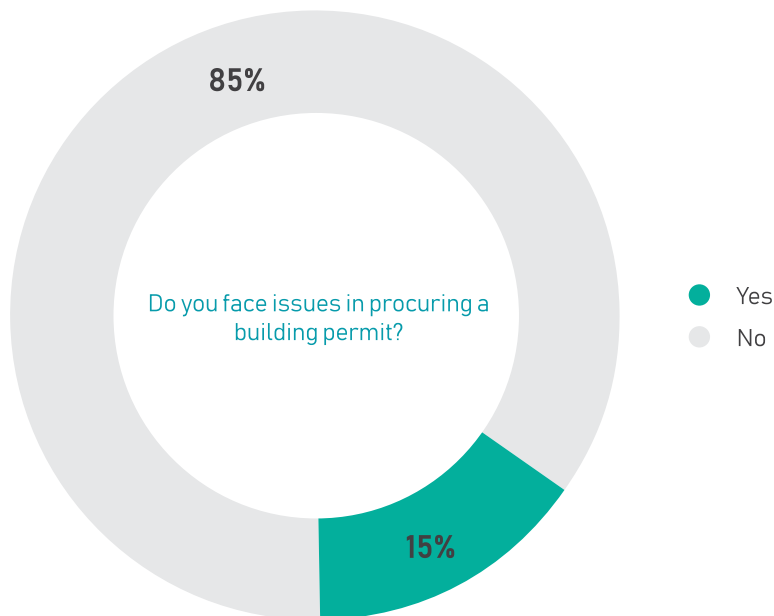
Quantitative Findings



Who are you receiving assistance from?

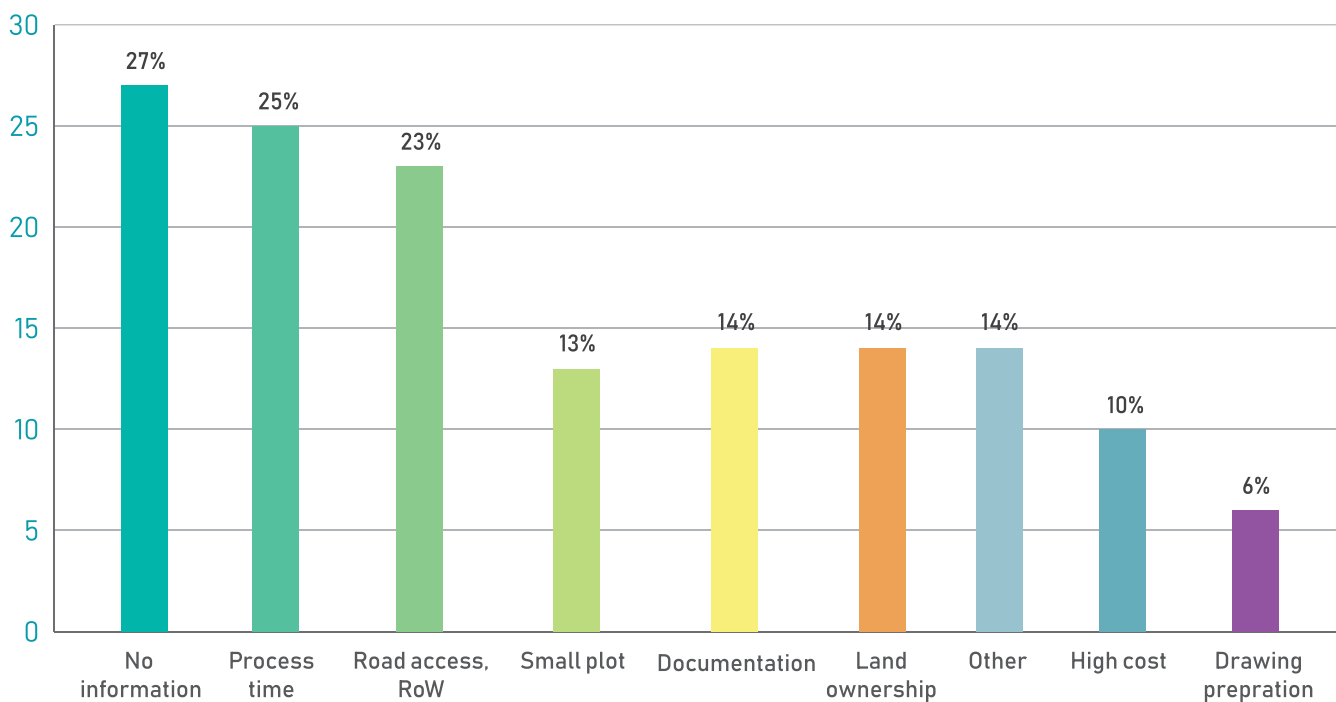


Out of the reconstruction households that face demolition issues, about 49% households surveyed have received one or more types of assistance in their reconstruction, while 51% did not receive any form of assistance. The survey found that 37% of retrofitting households have received technical assistance, while 63% have not. Most of the technical assistance in the surveyed districts is from NRA engineers, with little support from POs and independent consultants.

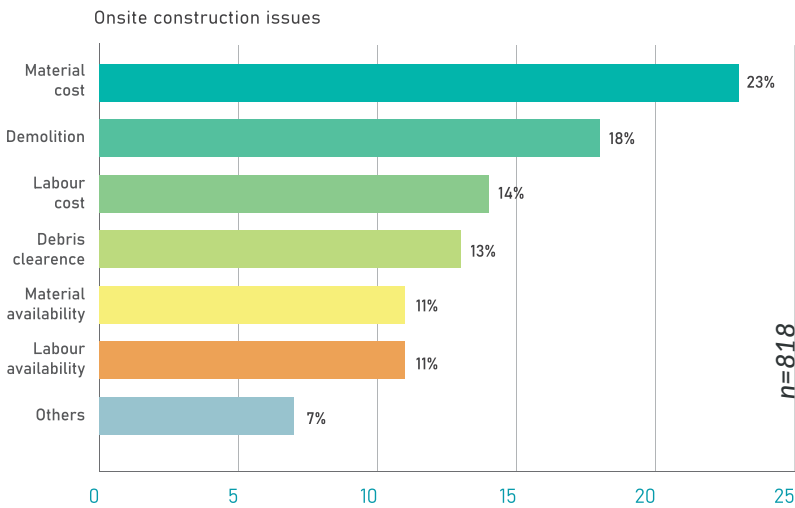


n=818

Reasons for building permit issues

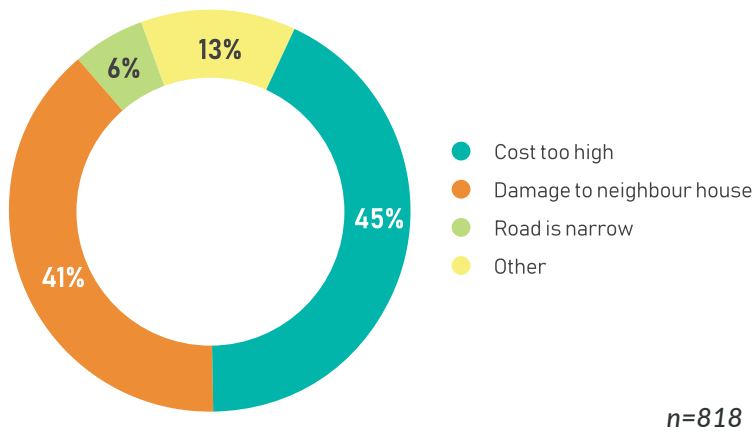


Out of the households surveyed, 15% face an issue in obtaining building permits. The reasons informed by households include:- no information on the building permit process (27%), processing time (25%), Right of Way (RoW) issues (23%), small plot of land, documentation, land ownership issues, cost of permit and also preparation of architectural/engineering drawings.

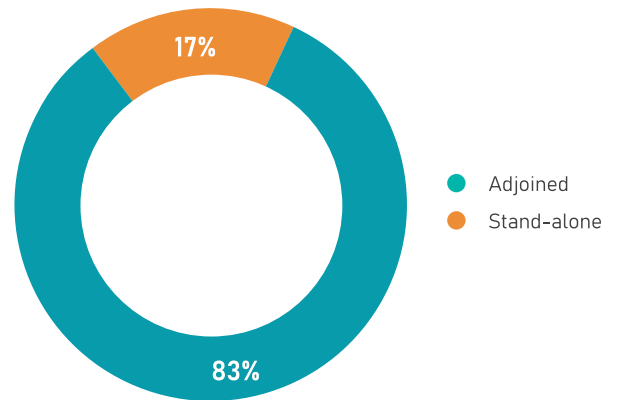


With respect to on-site reconstruction issues in urban areas, the most prominent ones are: material cost (23%), demolition (18%), labor cost (14%), debris clearance (13%), material availability (11%), and labor availability (11%).

Demolition issues faced by households

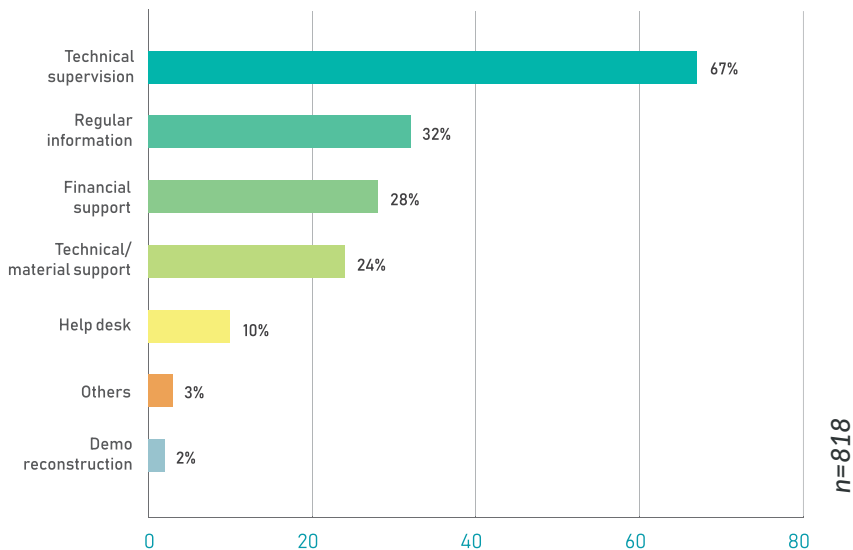


Households facing demolition issues



45% households face demolition challenges due to its high cost, 41% face the challenge of damaging neighbor's house adjacent to them, 6% face challenges due to narrow roads, and 13% face other issues such as demolition, which can create a safety issue for passersby. Also, 83% of the houses that face demolition issues are adjoined houses.

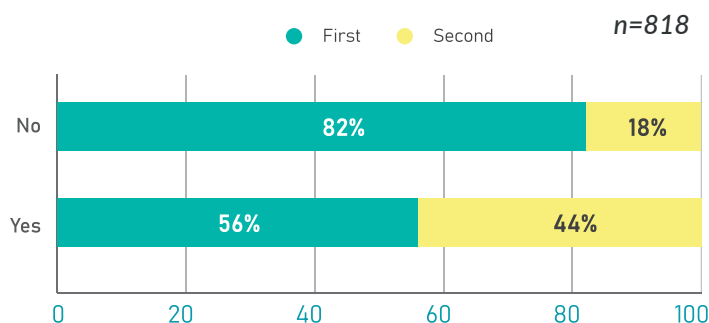
Type of assistance received



The maximum assistance being provided to households is that of site supervision (67%), followed by regular information (32%), financial support (28%), technical/material support (24%), helpdesks (10%), demo reconstruction (2%).

44% of those who have received socio-technical assistance (STA) are at second tranche, while only 18% of those who have not received any socio-technical assistance are at second tranche. It shows that housing recovery progress is quicker in households who have accessed socio-technical assistance.

Assistance Vs. Tranche Progress



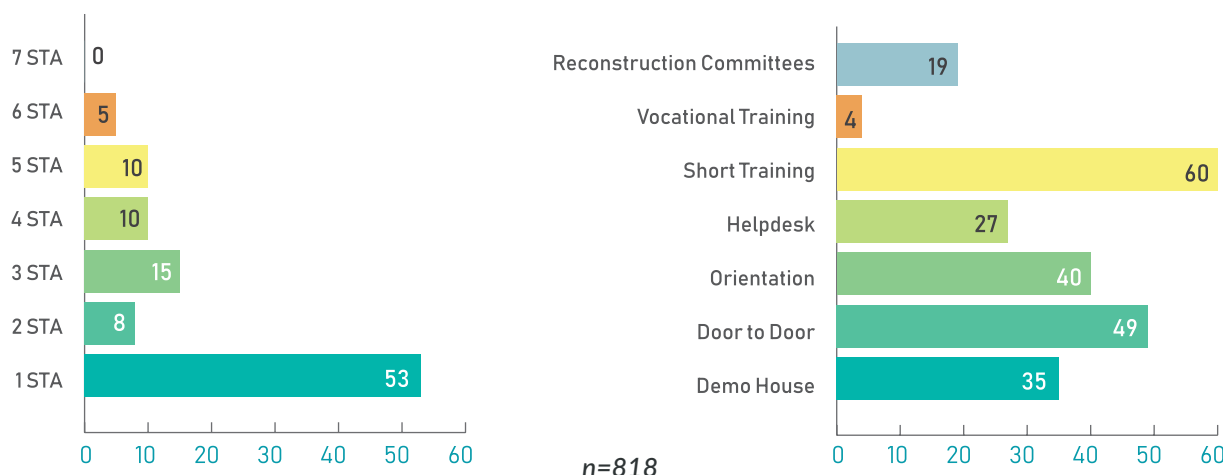
Findings From The Qualitative Study

(14 Focussed Group Discussions, 9 Key Informant Interviews)

In terms of information access, the most common source for updates is from the ward office and through NRA engineers. Lack of timely information is a widely cited issue, and there is a demand for help desks at ward level, especially for vulnerable beneficiaries. Inconsistency in information has been linked to weak information channels along with change in reconstruction guidelines. The changes and late release of reconstruction guidelines (on top of less access to information) has also caused high expenditure and inappropriately sized reconstruction, such as in Karki Tole, Manthali, Ramechhap, where the beneficiaries shared that earlier the guidelines released were only for stone in mud mortar (SMM) designs that had very limited rooms, leading to construction of small houses.

Tranche Disbursal takes too long, due to the amount of documentation and the time taken by banks to disburse the money. It has been stated as one of the most critical barriers in urban recovery, after access to finance. No special STA support on field for vulnerable beneficiaries, less participation of women and challenges in supervising the site are stated as issues for vulnerable HH and women.

Urban wards which have access to STA^[15]



Among 757 urban wards studied, only 101 wards have access to at least one of the STA components. Short Mason Training is covered in 60 urban wards, whereas Vocational Training is the least covered STA in four urban wards. The coverage data also suggest 53 wards have access to only one type of STA, whereas five urban wards have the assistance of six different STA components, and none of the urban wards has access to all seven STA components.

[15] Housing Recovery and Reconstruction Platform (HRRP) 5W, July 2020

Issues

Table 10: Summary of issues in the existing Socio-technical Packages

S.No.	Components of STA	Issues
1	Community/Household Orientations	<ul style="list-style-type: none"> Community mobilization in urban areas given the density and complexity of the urban settings. Time availability of households due to their non-farm livelihood activities. Incorporating all required aspects of earthquake resistant construction into urban buildings in light of technical complexities (variances in design, materials, built-up areas, technology and construction processes). Programs like risk sensitive land use planning, GLD and general land use plans do not address the specific challenges and needs of beneficiaries in urban contexts.
2	Continuous door to door technical assistance (mobile technical support)	<ul style="list-style-type: none"> Needs and assistance required in urban areas differs house-to-house. As urban households have access to multiple sources of both valid and invalid information, technical assistance teams find it hard to educate them with correct information.
3	Short training for masons	<ul style="list-style-type: none"> Urban reconstruction is more of contractor driven than mason driven. Mostly migrant masons are engaged with the contractors; hence, skills training is a huge gap in urban areas. There is no specific curriculum for heritage construction masonry training.
4	On the job training for masons / Vocational training	<ul style="list-style-type: none"> Turnover of masons; switching to other, more lucrative jobs. No effective roster maintenance, refresher courses and follow ups.
5	Helpdesk/Technical support center	<ul style="list-style-type: none"> Assistance in urban housing lacking, such as building code orientation, supporting unique drawing designs, displaying market construction price, etc. Compliance requirements in urban areas are specific to municipalities. Need clarity on provisions of heritage and traditional settlement support. Urban retrofitting design is linked to private consultancies and there are no ready-to-go designs related to retrofitting in urban areas.
6	Demonstration construction	<ul style="list-style-type: none"> Land availability difficult in urban areas. Affected by land use plan.
7	Community Reconstruction Committees	<ul style="list-style-type: none"> Urban areas tend to have stronger local governments, more heterogenous populations, and less community cohesion.

Stakeholders

Households, wards, municipalities, NRA technical staff, partner organizations, social mobilizers, mobile masons, contractors, masons, engineering consultants, vendors and suppliers.

Recommendations

1. Define components and corresponding stakeholders of urban STA package

Develop Urban STA Package with identified components and roles of stakeholders considering urban specific contexts like debris management, heritage, HLP (housing, land, and property).

Since the current STA package is more relevant to rural reconstruction compared to urban, it has not been effective in expediting urban reconstruction. Adaptation and further development of the STA for urban reconstruction is required. A briefing pack covering the policy and technical aspect of NRA/MoUD policies, land, finance, retrofitting, heritage, etc. needs to be considered as an orientation material with components specific to urban housing reconstruction (Demolition, Debris clearance, Building Code, Row housing, multiple ownership, etc.). The roles of stakeholders both public and private like suppliers, contractors, consulting firms/designers, municipal technical persons, archeology department, private sector, financial institutions, researchers, etc. needs to be identified and engaged in the urban recovery process. By identifying the major constraints in heritage housing recovery, a separate STA is needed to be developed by NRA, MoUD, DoA and municipalities, specifically for targeted heritage housing recovery support. In the long run, testing and revisiting the components is required while engaging stakeholders to develop a standard urban STA package appropriate to all multi-hazard scenarios.

2. Scale up coverage of urban STA

Prepare plans to scale up the coverage of STA considering the urban caseload, technical persons rearrangements and POs presence.

The gaps in coverage of socio-technical assistance have been persistent in urban housing recovery. Increasing NRA technical resources (personnel) at urban municipalities to support the on-site inspection of under construction buildings and specialized technical support to municipalities can increase the STA coverage. Based on the inspection data and remaining caseload, mobilization of technical persons needs to be re-planned by NRA for the remaining duration of its tenure. National, provincial, and local level should prepare plans for longer term investments in STA and consequently urban development.

3. Institutionalize urban STA

Identify and institutionalize the process of STA at local levels with engagement of NRA technical persons and municipal leadership.

Influencing Municipal leadership to go beyond their current regulatory and monitoring responsibilities, to also delivering STA for housing recovery in urban areas can be instrumental to the success of urban STA. The municipal level should strengthen their capacity accordingly, in order to effectively provide NRA- and MoUD-coordinated STA in the long-term. In this way, urban STA can act as a catalyst for strengthening urban resilience in new municipalities by contributing to building code implementation and sustainable housing and community bylaws.

STA should be linked with building code implementation and urban preparedness activities; developing regulatory guidelines accordingly is a crucial component for strengthening urban resilience. Furthermore, a national database of STA in recovery and reconstruction should be maintained. This can contribute towards the development of vocational and educational curricula to grow the pool of skilled human resources.

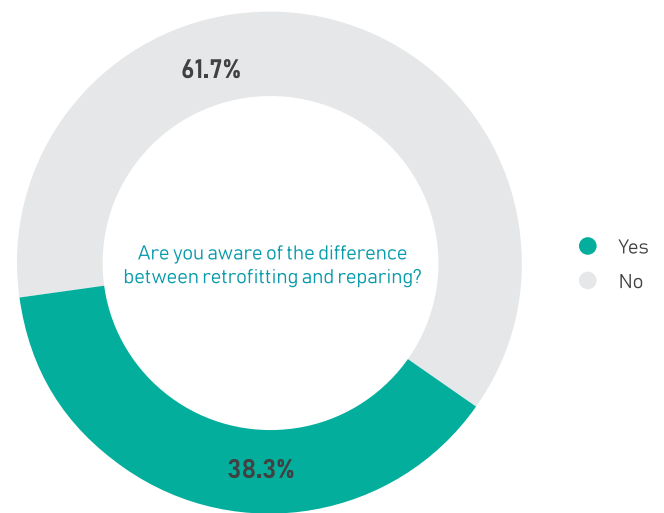
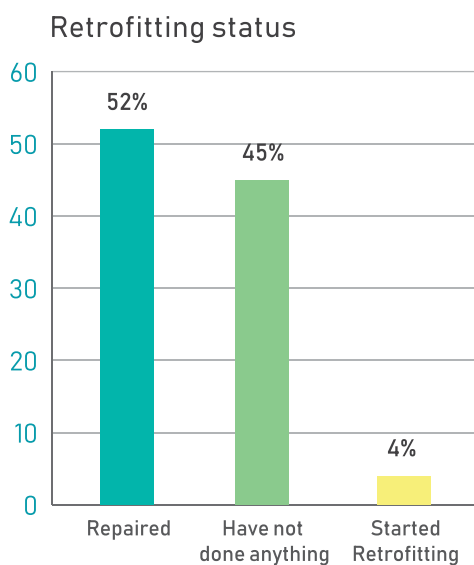
3.6 Retrofitting in urban areas

A total number of 77,325 retrofit beneficiaries are listed in the NRA. Among them, 24,083 (31%) are from urban areas. Recent NRA data show that the **progress on retrofitting is very low**. As of July 20, 2020, only 158 households from rural areas, and 108 from urban areas, have completed retrofitting. In Kathmandu Valley, a total number of 3,380 beneficiaries are listed as retrofitting beneficiaries and of those, only 15 have completed retrofitting as of 22 July 2020.

Findings from Quantitative Survey

(n= 818, RCB samples = 473, RTB samples = 345)

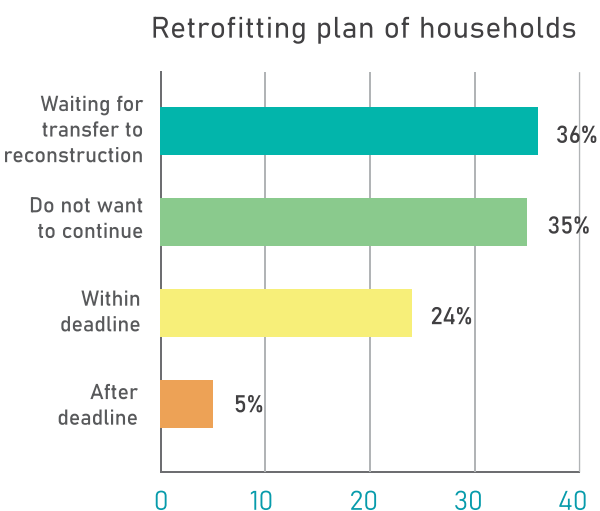
Quantitative Findings



n=818

Out of the households enrolled in retrofitting, more than half have repaired their houses but not actually retrofitted, 45% have not begun, and 4% have started retrofitting.

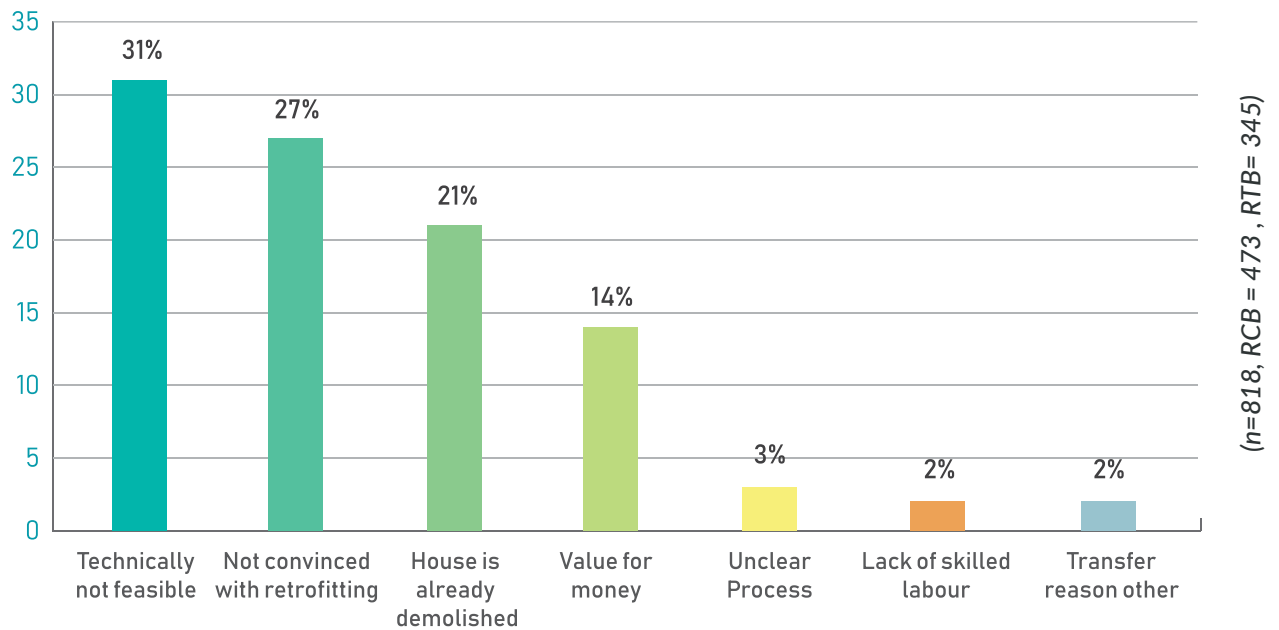
It was found that 38% households are aware of the difference between repair and retrofitting, while 62% do not know the difference.



n=818

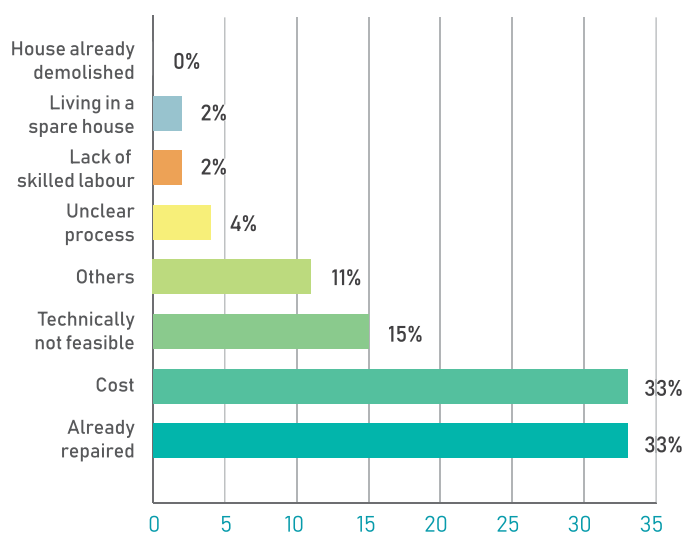
About 24% of households enrolled in retrofitting do not want to continue with the retrofitting, and 36% are awaiting transfer of their enrollment from retrofitting to reconstruction.

Households' reasons for transferring to reconstruction from retrofitting



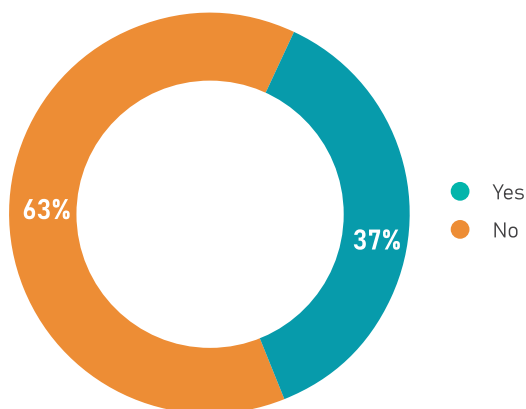
The main reasons households cited for transferring to reconstruction are: 31% technically not possible to retrofit their houses, 27% are not convinced with the technique, for 21% their houses have already been demolished, and 14% do not think retrofitting provides value for money.

Households' reasons to discontinue retrofitting

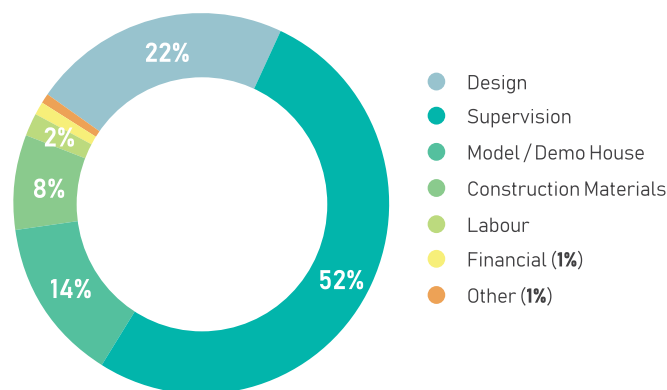


The biggest reasons to discontinue retrofitting are: high cost (33%), the houses have been repaired instead of retrofitted (33%), and in some cases it is technically not feasible to retrofit (15%).

Have you received technical assistance for retrofitting



What assistance are you receiving?



(n=818, RCB = 473 , RTB= 345)

The survey found that 37% of retrofitting households have received technical assistance, and 63% are yet to receive assistance. About 52% of households are receiving assistance in the form of site supervision, 22% in design supervision, and 14% have seen demo houses. There is little support in form of materials, labor, and finance.

Findings From The Qualitative Study

(14 Focussed Group Discussions, 9 Key Informant Interviews)

In Dhading, beneficiaries expressed the **need for a grievance redressal mechanism specifically for retrofitting**. In Gorkha, the confusion between retrofitting and repair work persists and has led to issues in accessing the retrofitting grant/tranche of NPR. 100,000. They find retrofitting is more expensive than building a one roomed house, and they would prefer it if the NRA granted beneficiaries a percentage of the cost, instead of a fixed 1 lakh tranche. One beneficiary from Gorkha Ward 9 said “Returning 50,000 would be [more] helpful for us rather than following NRA standard to retrofit, as we have already spent money on repairing the house.”

Issues

Table 11: Summary of issues in the existing Socio-technical Packages

S.No.	Components of STA	Issues
1	Cost	<ul style="list-style-type: none"> • Cost is high depending on housing typology and other factors such as structural damage, house size and more. • In urban areas, Reinforced Cement Concrete (RCC) buildings are dominant and the retrofitting cost of RCC structure may be higher as compared to other structures.
2	Technical manpower	<ul style="list-style-type: none"> • Low availability of skilled masons and technical person expertise on retrofitting. • Limited structural engineers to analyze and design unique retrofit solutions. • Lack of appropriate and timely training and guidelines.

S.No.	Components of STA	Issues
3	Awareness	<ul style="list-style-type: none"> • Retrofitting is a relatively new concept. There is low awareness and trust in retrofitting. • There is confusion between retrofit and repair among beneficiaries • There is no separate Socio-technical assistance package for retrofitting. • Lack of willingness among beneficiaries as they are not certain about the technology.
4	Complexity	<ul style="list-style-type: none"> • In core areas of Kathmandu such as Sankhu and Indrachowk, among others, multi-story load bearing structures in mud have been listed for retrofitting, which does not seem feasible. • Retrofitting of adjoined buildings is more complex and at times not technically feasible. • No provision for multiple grants in case of multi-ownership housing; so, many house owners have not been able to retrofit their houses • Lack of guidelines for RCC buildings.
5	Compliance	<ul style="list-style-type: none"> • Traditional buildings/ Heritage construction requires compliance with by-laws of the municipality and the Department of Archaeology • Several house owners prefer to demolish and reconstruct a new house instead of living in the old house.

Stakeholders

Beneficiaries, NRA, DLPIU/CLPIU, municipalities, wards, POs, local NGOs, mobile masons, contractors, structural engineers, financial cooperatives and Nepal Rastra Bank.

Recommendations

1. Increase capacity in retrofitting

Conduct extensive retrofit trainings for technical persons and masons.

The NRA needs to allocate budgets for extensive capacity enhancement of technical staff and masons for retrofitting and increase the number of trainings for mid-level technicians. A comprehensive training guideline and curriculum needs to be developed for carrying out training by other POs. Structural engineers from the private sector can be engaged more effectively through coordination at the Palika level and through Retrofitting Alliance & Retrofitting Technical Working Group R-TWG.

As part of the institutional transfer of retrofitting knowledge by NRA, there needs to be capacity enhancement of Municipal Technical Staff for retrofitting design and to deliver more trainings. In the long run, retrofit training needs to be extended to municipal/district technical persons across the earthquake affected districts in the first institutionalization phase before the handover and beyond the earthquake affected districts during the preparedness phase.

2. Increase STA in urban retrofitting

Plan and conduct socio-technical activities on retrofit at the local levels considering the retrofit caseloads and building typology involving POs.

NRA and municipalities need to allocate budget for orientation programs and CLPIU/Building and POs need to develop different orientation packages for technical persons and masons. As there are grievances on the high cost of retrofitting and the insufficient grant, efforts need to be made to increase grant amounts and provide soft loans to incentivize retrofitting. Social mobilizers should generate more awareness on the potential of retrofitting. An awareness program about retrofitting, and the provision of technical as well as economic assistance in retrofitting from Municipal level, are required to preserve the cultural aesthetic of buildings. The awareness on retrofitting will also improve through the construction of demo houses.

Planning and seeking longer term funding/commitment to continue and expand STA for the preparedness phase is required. NRA/PO's need to support municipalities in initialization of the building permit process, and link retrofitting with the building permit process.

3. Develop Urban retrofit solutions

Produce and share a manual/ guidebook with the existing knowledge and capacity in urban retrofit.

The NRA should increase research and development of guidelines for a cost-effective retrofit design of RCC buildings and increase the capacity of NRA engineers on the same. As part of this, the Department of Urban Development and Building Construction (DUDBC) should prepare and disseminate norms for more affordable retrofitting of houses. Existing retrofit manual/guidebook should be revised or revisited incorporating the existing knowledge of NRA and POs in urban retrofit.

The feasibility of applying retrofit solutions on adjoined houses and other technically complex structures need to be assessed at the district levels. The HRRP / Retrofitting Technical Working Group has drafted norms and standards for retrofit construction, based on POs' implementation experience; these should be circulated more widely and forwarded for approval.

Additionally, the designing, funding, researching, and piloting of urban retrofit solutions considering the building typologies, heritage areas, adjoined buildings, can help to advance the updating and endorsement of urban retrofit solutions.

Information of beneficiary's details for retrofitting is currently communicated via NRA engineers. A computerized system is required at the municipal levels for more effective communication, and capacity building is required at municipal level to host and manage such updated databases.

3.7 Assistance to vulnerable

As of November 2020, out of the total **18,505 identified vulnerable beneficiaries**, 89% (16,444) have received the first tranche, 65% (12,042) have received the 2nd tranche and 57% (10,527) have received 3rd tranche^[16]. In addition to the

[16] HRRP Bulletin, November 2020 (https://www.hrrpnepal.org/uploads/media/11HRRPBulletinNovember2020_20201201205539.pdf)

reconstruction grant of 300,000 NPR, a top-up support of 50,000 NPR is being granted to households that fall in the NRA's vulnerable category. The criteria include People with Disabilities (PWD), senior Citizens above 70 years, single women headed households above 65 years, and child headed households under 16 years. However, the guideline states that vulnerable households, who have already completed their house construction and have accepted the third tranche, will not be eligible for top up support.

Findings from Quantitative Survey

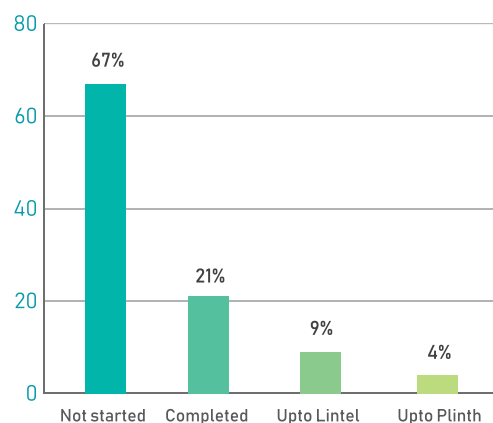
(n= 818, RCB samples = 473, RTB samples = 345)

Out of the 818 households surveyed, 102 households fall into a one or more of the vulnerable categories: 64% were senior citizens, 36% were single women above 65 years, 9% were persons with disabilities and 3% belonged to the category of children under 16 years heading the household. Out of the 818 respondents, 207 were female respondents, out of which 123 were female heads of households. Of the 207 female respondents in reconstruction, 44% had multiple challenges, 39% had a single challenge, and 17% had not faced any reconstruction challenges.

Quantitative Findings

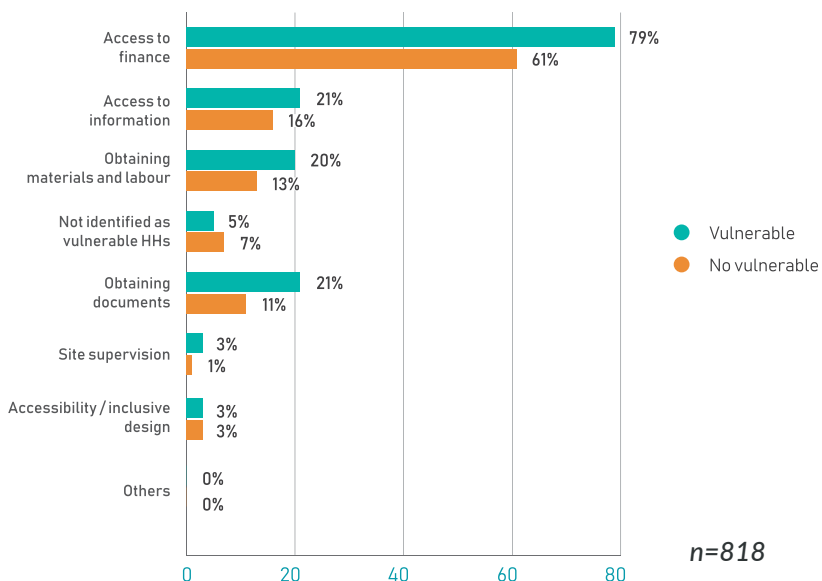
67% of respondents from vulnerable households had not started reconstruction. 21% of vulnerable households in the study had completed their reconstruction.

Reconstruction status of vulnerable HHS



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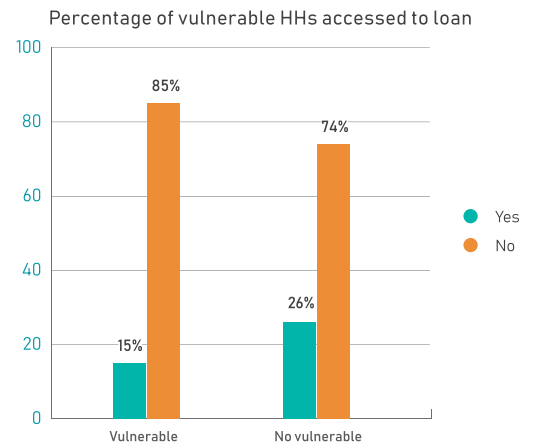
Issues faced by vulnerable HHS (Reconstruction)



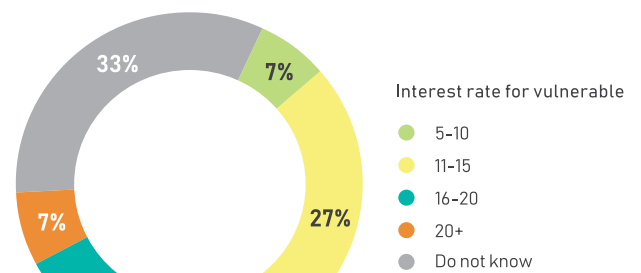
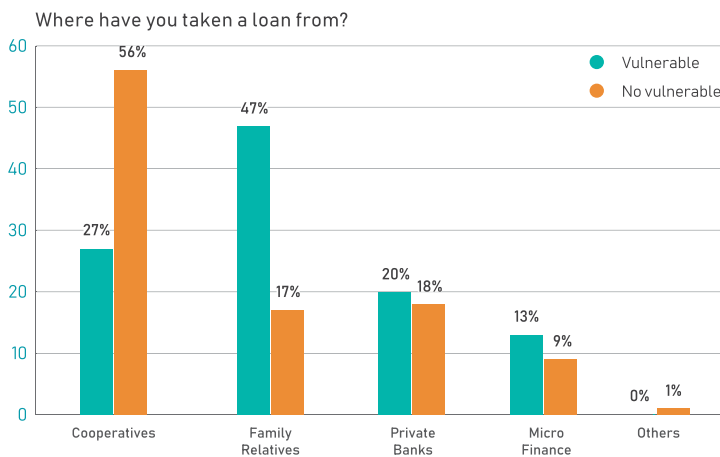
n=818

As cited by 79% of respondents, access to finance was the most critical issue in housing recovery for respondents from vulnerable households. Access to information, obtaining documents, and obtaining materials and labour were other pertinent challenges.

At the time of the survey, 85% of respondents from vulnerable households had no access to loans, compared to 74% of non-vulnerable households.

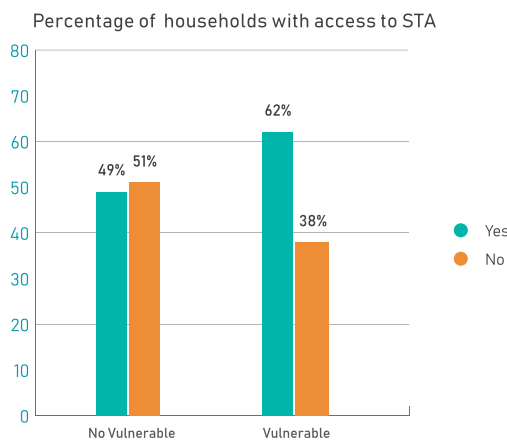


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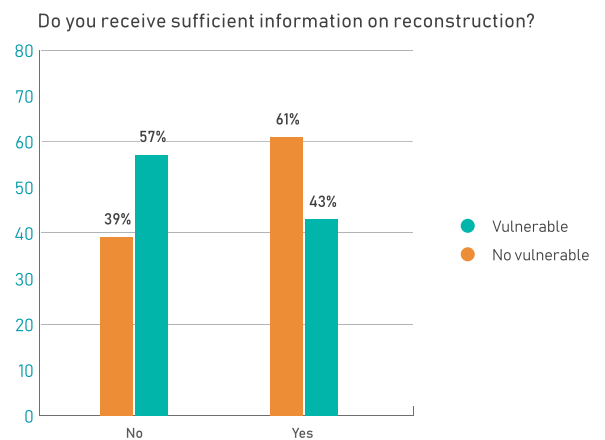


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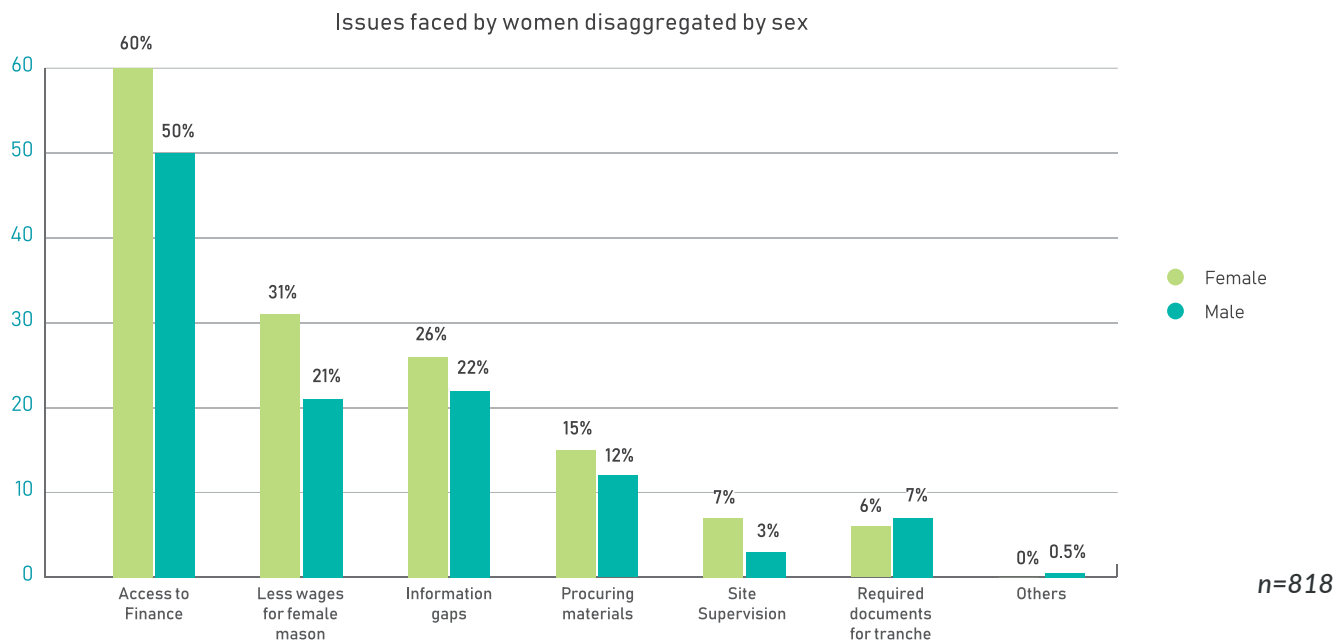
A majority (56%) of households not categorized as vulnerable had taken loans from cooperatives, while 47% of households categorized as vulnerable had taken informal loans from relatives. Of those vulnerable households, one third did not know the interest rate, 7% had taken loans at an interest rate above 20%, 27% between 16-20% interest, and another 27% between 11-15% interest. Only 7% of vulnerable households had gotten relatively lower interest rates between 5-10%.



n=818



A higher number of vulnerable respondents had no access to STA (62%) compared to non-vulnerable households (49%). 43% of vulnerable respondents received sufficient information on reconstruction, compared to 61% of non-vulnerable households.



Major challenges faced by women in reconstruction were disaggregated by male and female respondents. The biggest challenge faced by women surveyed was accessing housing recovery finance (60%). This was followed by the wage gap for female masons, information gaps, procuring of materials, site supervision and documents required for accessing tranches.

Findings from Qualitative Study

(14 Focused Group Discussions, 9 Key Informant Interviews)

The Ward office in Dolakha identified 19 vulnerable people in the ward who have experienced various issues regarding reconstruction and coordinated with the Department of Forests and Soil Conservation to provide timber for construction, with hardware stores to provide materials in credit, and with partner organizations to provide technical support. The ward office in Dolakha has also requested the municipal office to ease the process of obtaining building permits. In Bhaktapur, the Palika office has waived application fees for seeking approval of building permits. In Gorkha ward no.8, the local authorities are coordinating with the Department of Forest for the provision of timber to vulnerable beneficiaries. Generally, wards say they require more authority in the recovery process. Many wards, however, have complained about inconsistencies in information; sometimes, important information has been received after set deadlines.

Issues

Table 12: Summary of issues faced by Vulnerable population

S.No.	Components of STA	Issues
1	Access to Finance	<ul style="list-style-type: none"> Vulnerable population's lack of adequate documentation High interest rates charged by local cooperatives, as well as savings and lending groups
2	Policy	<ul style="list-style-type: none"> NRA's vulnerability criteria do not include socio-economic vulnerability, but the list consists of houses that are not vulnerable. Additional top-up support of 50,000 NPR is not available to vulnerable households who have received the third tranche. Delisting of beneficiaries who are socio-economically vulnerable but do not fall into NRA's vulnerable category after tranche deadline
3	STA	<ul style="list-style-type: none"> No separate STA has been developed for vulnerable beneficiaries under NRA's criteria. Urban vulnerabilities are hidden and often overlooked.
4	Coordination and communication	<ul style="list-style-type: none"> Duplication and gaps in supporting vulnerable population by POs Women do not have adequate assistance in the form of technical expertise and site supervision. Impact of COVID-19 has added constraints for vulnerable population

Stakeholders

Households, NRA, DLPIU, CLPIU, municipality and wards, social mobilizers, mobile masons, masons, contractors and partner organizations.

Recommendations

1. Institutionalize vulnerable support mechanisms

Strengthen the capacity of municipalities to assume the lead role of support to vulnerable households, identify vulnerable beneficiaries and plans to support them.

Local levels of government (e.g., municipalities, rural municipalities) form the primary link between beneficiaries and the national government; thus, the local levels need to be entrusted to identify and support vulnerable beneficiaries, along with enabling information sharing. Strengthening the capacities of local levels, by raising their awareness regarding the identification of vulnerable groups and individuals and orienting them on the process of registering vulnerable beneficiaries as well as diverse vulnerable support modalities - along with ongoing guidance in the preparation of actions plans and mechanisms to prioritize and strategize vulnerable support - will help to ensure timely reconstruction support for vulnerable beneficiaries.

Furthermore, strengthening the capacity of municipalities to play key leadership roles in the implementation and management of the current recovery and reconstruction programs, can contribute to the development of municipal

mechanisms to support vulnerable beneficiaries through livelihood and DRR programs in the long run.

Finally, there should be a strong focus on optimum utilization of STA by human resources such as Social Mobilizers, Mobile Masons, and field engineers including petty contractors, paired with capacity building initiatives of these groups.

2. Develop comprehensive vulnerable support guidelines

Map the assistance, assistance modalities and roles of stakeholders to develop a comprehensive vulnerable support guideline.

In addition to the four categories of vulnerable beneficiaries identified by the NRA for top-up support, those without any supportive adult family member also require additional support for recovery and reconstruction. Therefore, socio-technical assistance through various modalities such as door-to-door assistance, MLT (Material, Labor and Transport) support, demo constructions, engaging NRA technical persons, mobile masons, municipal technical persons, and POs, should be assessed specifically in the context of support to the vulnerable. Various POs have implemented their own approaches to vulnerable support; these can be collected and assessed to prepare a common guideline, to ensure effective and uniform support.

In the long run, this concept can evolve into the identification and piloting of modalities for vulnerable support for multi-hazard cases, along with a designing of standard criteria to identify vulnerable beneficiaries to prepare a Multi-hazard Vulnerable Support Guideline.

Coordination among all levels of government, as well as communication mechanisms, must be strengthened to ensure information flow up to the ward and tole^[17] level, for timely communication of information to beneficiaries. The tole levels, and vulnerable beneficiaries themselves, must clearly know what provisions and options are available to them.

3. Develop financial solutions for urban vulnerable beneficiaries

Identify and establish financial mechanisms to support urban vulnerable, such as revolving funds and concessional loan schemes, among others. Provide STA through POs and mobile teams.

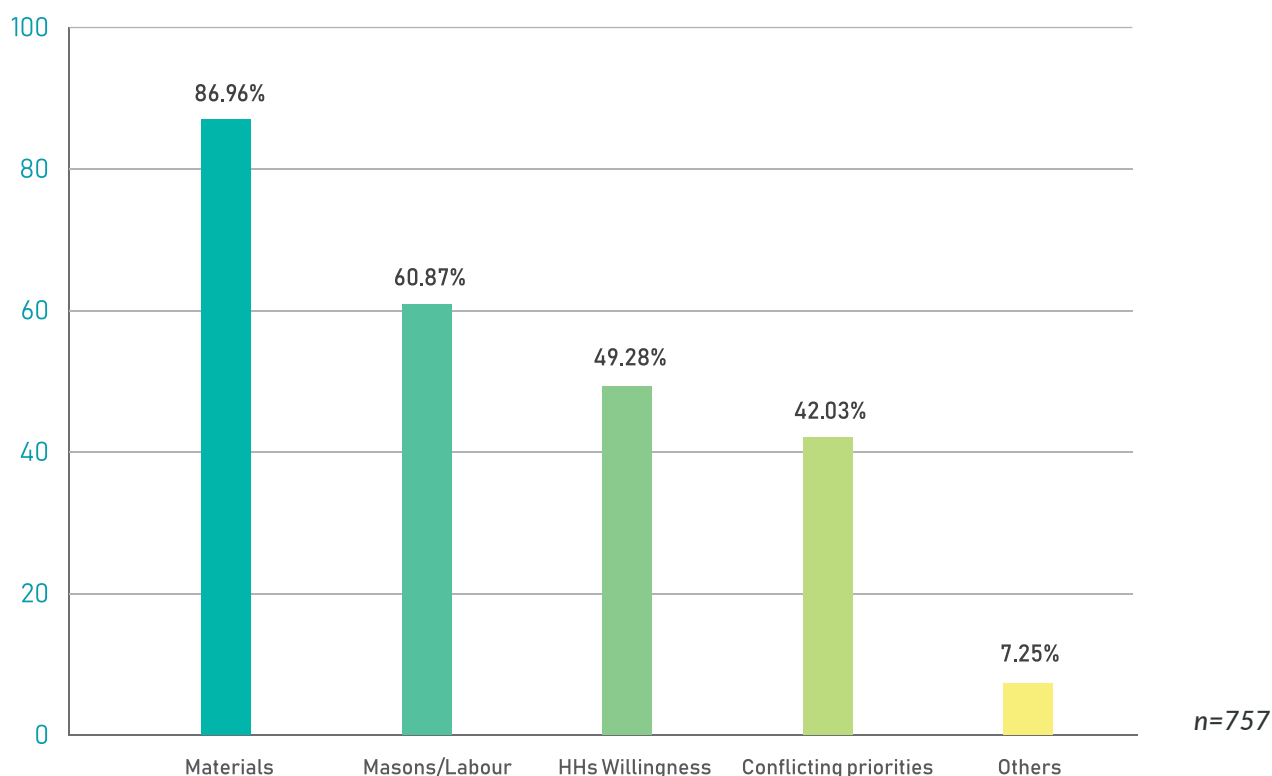
The cost of construction is higher in urban areas than in rural areas. Therefore, additional resources need to be made available to vulnerable beneficiaries to support construction. Existing successful examples of support to vulnerable households include setting up revolving funds through municipal initiatives. Further similar financial support mechanisms can be researched; subsequently, standardized, or customized financial support procedures can be developed to support vulnerable beneficiaries. The NRA also includes a provision for concessional loans, but as it is out of reach for vulnerable beneficiaries, an extra mechanism is required to link vulnerable beneficiaries to the concessional loan. Furthermore, the STA to vulnerable beneficiaries should include innovation on low-cost construction, in addition to the considerations of structural safety and compliance. A mechanism for soft loan accessibility to vulnerable households needs to be devised, which can include the reduction of collateral requirements, and recognizing informal small businesses as collateral.

[17] Tole is the smallest informal administrative unit within wards

Additional research on financial assistance to support vulnerable groups can be carried out, whose relevance and application can be carried over to various development, livelihood, and DRR initiatives. Similarly, findings can be applied to help inform the development of municipal mechanisms to support vulnerable beneficiaries through livelihood and DRR programs.

4. Impact of COVID-19 on Urban Housing Recovery

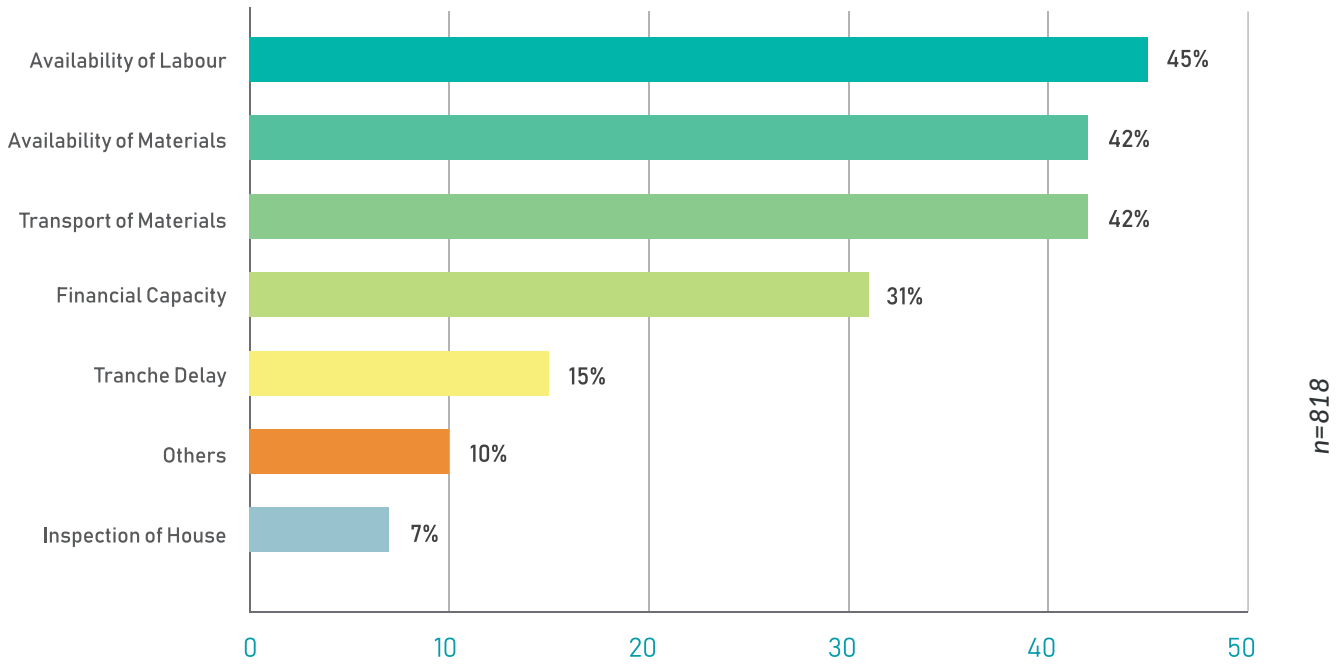
Nepal faced a complete lockdown for 84 days, from 24 March to 15 June 2020, in order to curb COVID-19 transmission. After 15 June, the lockdown opened partially, and from 22 July onwards, major restrictions have been lifted. In addition to COVID-19's impact on the health sector, the lockdown and surrounding uncertainty severely impacted livelihoods, food security, education, and housing reconstruction. HRRP conducted a COVID-19 reconstruction impact assessment in May 2020 across the 32 earthquake-affected districts, where HRRP interviewed 757 respondents comprising various stakeholder groups, applying both qualitative and quantitative methods. The findings suggest that reconstruction has been adversely impacted during this period, with only about 35% of respondents with ongoing reconstruction having continued the process during lockdown. Approximately 83% of field visits were paused through the lockdown period, leading to further constraints in delivering STA and tranche disbursements. In both urban and rural areas, the highest impact of the lockdown was on the availability of materials, as seen in the below graph.



The highest impact of the lockdown was on the availability of materials, followed by availability of masons.

Source: Impact of COVID-19 on Post Earthquake Recovery and Reconstruction, June 2020, HRRP

What urban recovery issue has increased due to COVID-19?

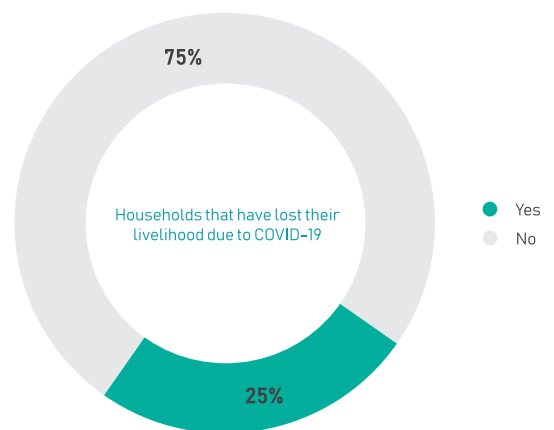


The findings from HRRP’s study in May are substantiated by the quantitative survey of August 2020 wherein availability of materials, and labor were found to be the biggest reconstruction hurdles in urban areas, followed by availability of transport and financial capacity.

COVID-19 impact on financial capacity

Lumanti conducted 13 focused group discussions across districts of Kathmandu Valley and Chitwan on the impact of COVID-19 in different sectors. All FGDs revealed a severe impact or loss of livelihood and income across sectors of agriculture, small businesses, foreign employment, and daily wage workers. In Bagar Tole, Ratna Nagar, 9 households from the FGD stated that they had taken loans to reconstruct their houses and are now facing challenges in completing it. They would like to have the option of accessing cooperative loans when the need arises. In Kumbeshor, Lalitpur, the general concerns are also about their loss of livelihood and repayment of housing loans. From all FGDs, the main finding is that respondents seek financial assistance in their small business or agriculture.

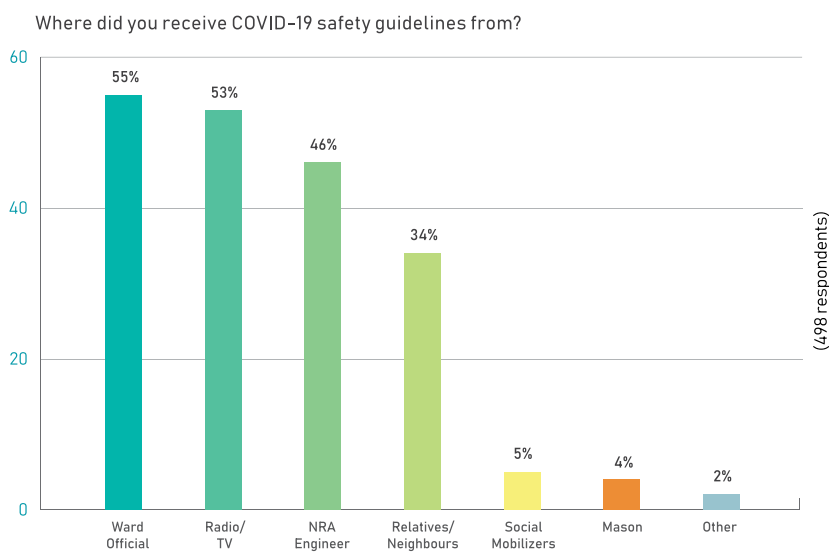
Similarly, the quantitative findings also suggest a considerable degree of financial strain on the households, with 25% of total surveyed households stating loss of livelihood due to COVID-19 lockdown and uncertainties.



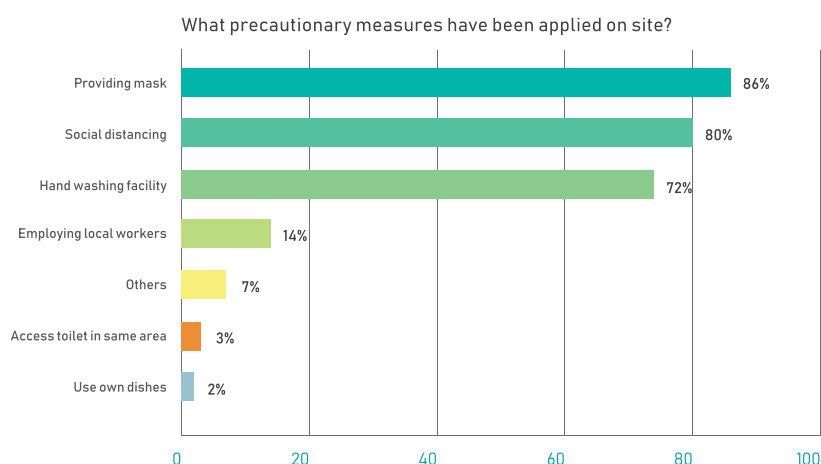
Precautionary measures taken on site

From the quantitative assessment, it is found that approximately three quarters of the respondents have received COVID-19 Safety Guidelines. On 29 May 2020, NRA released the [COVID-19 Safety Guidelines](http://nra.gov.np/np/resources/details/aD_5kV4PjOwnSCFMhZlle7OKH26G9zGfHttFcmg6nLE) (http://nra.gov.np/np/resources/details/aD_5kV4PjOwnSCFMhZlle7OKH26G9zGfHttFcmg6nLE) for continuing housing recovery in a safe

manner. The information has reached households mainly through ward officials (to 55% respondents), forms of media such as Radio and TV (53%), NRA engineers (46%), and relatives and neighbors (34%). There has been little outreach through social mobilizers, with only 5% of respondents having received guidelines through them. As seen in the graph, the measures most commonly adopted are wearing masks, provision of hand washing facilities, and social distancing.



n=818



Recommendations

- Municipalities and private sector to ensure that essential materials are available and promote the use of local materials. NRA and DCC can encourage local government to subsidize local raw materials.
- Though the lockdown has been eased, the threats of COVID-19 remain the same. All stakeholders need to ensure necessary improvements and proper communication and dissemination of safe construction practices guidelines developed by NRA, follow norms of social distancing and hygiene, and provide training and orientations to field staff and community members. Use of appropriate IEC materials, mass media (TV and radio) in local languages and social media could be some of the appropriate means.
- NRA and POs to develop mechanisms for safety and security of the personnel involved in the reconstruction process.
- Consideration of socio-economic recovery support to complete housing reconstruction, especially for the vulnerable and the poorest segments of the population still struggling to finish reconstruction/ retrofitting of their homes.

5. Adoption Pathways of the Urban Recovery Recommendation

This document provides recommendations to develop an urban housing recovery strategy. This section outlines the implementation plan for the strategy. The implementation has been categorized considering the various stakeholders and issues in urban recovery. Any policy or strategy is only successful if it is adopted effectively, and various factors play an important role for any strategy to be materialized at the ground level. The key components of effective implementation of the urban strategy are adequate legal and regulatory provisions, institutional arrangement, awareness and capacity enhancement. It is equally valid for urban strategy also.

Legal mechanisms exist for urban reconstruction at national as well as at local level. NRA has the mandate to carry out overall reconstruction including urban and MOUD for urban development. Legal provisions make Palika responsible for the overall development including urban reconstruction. NRA's mandate will end in a year (end of 2021), and mainly MoUD and NDRRMA will carry forward all the learnings at the institutionalization level. However, a designated section is required for reconstruction within the institutional framework to continue the process with continuous knowledge and skill enhancement activities. Adaptation needs to be seen in the short-term as well as long-term. The following key elements are envisioned necessary for the adoption of an urban housing recovery strategy.

5.1 Institutional framework for implementation and updating strategies

As urban housing recovery is a long-term process, it requires the implementation of the urban strategy and feedback collection during this period. Addressing the new emerging issues is essential. In the context of beyond NRA's tenure, there must be an institutional framework and institutions to continue the reconstruction process.

Support unit at MoUD/DUDBC

Since MoUD is the responsible ministry for urban development in the country, the ministry or department has to undertake a pivotal role at the national level by establishing a separate unit designated for urban reconstruction with funding and appropriate human resources.

The unit in MoUD/DUDBC therefore needs strengthening to enable it to develop regulatory guidelines, disseminate information, coordinate with NDRRMA, Palika and other stakeholders and conduct training, workshops and orientation, and training-of-trainers' programs for the continuous enhancement of knowledge and skills. The following tasks require more focus.

- **Knowledge and skill enhancement on heritage site reconstruction and retrofit:** The training to build the capacity of masons and construction technicians and engineers so far, focus more on compliance for earthquake safety reconstruction. Heritage site reconstruction and retrofit contents, which are the critical factors for urban reconstruction, have not been covered in those trainings.
- **Continuous awareness and training programs:** Many trainings have been conducted in the past; training on

earthquake resistant construction to mason, training on different technical guidelines and standards to engineers, awareness program to all stakeholders including beneficiaries, and Palika officials. However, not all the masons, engineers and Palika officials have received orientation and training. Moreover, those who have received training also need to be refreshed regularly. Thus, awareness and training have to be a continuous process.

- **Coordination with different stakeholders to increase access to finance:** In addition to general coordination with different stakeholders, coordination with NDRRMA on all the lessons learnt documentation and coordination to financial institutions and donors is needed, to increase the access to finance for urban reconstruction.

Separate urban housing reconstruction unit at NDRRMA

Since learnings from the housing reconstruction program will be handed over to the newly established NDRRMA (along with other stakeholders), a separate unit within NDRRMA institutional framework, to coordinate and provide necessary support to MoUD/DUDBC to take forward the urban reconstruction, is also important.

Institutionalization at Palika Level

All the municipalities are not at the same level in terms of their capacity and human resources, and the same can be evaluated through a Palika assessment. Various existing acts have empowered Palikas for the overall development in their jurisdiction area. Each Palika has an urban development and infrastructure section for this specific task. There is a need to specifically assign this section to undertake reconstruction with adequate resources. If there is no existing unit for urban recovery and preparedness at the Palika level, it needs to be built. In case of smaller municipalities there could be a focal person for urban interventions. The focal person's and engineer's capacity should be built not only in technical aspects, but also in database management. The Palikas should coordinate at the provincial level and with MoFAGA at the national level.

Other Stakeholders

Implementing the urban strategy requires teamwork of a diverse range of stakeholders, working beyond the area of private housing, but also including aspects such as community infrastructure, risk assessments, settlement recovery and participatory planning. It is thus important that the other government departments, bilateral and multilateral agencies, engineering education institutes, professional societies, consulting organizations, etc. extend necessary support and coordination to MOUD/DUDBC and the Palikas for effective and efficient implementation.

5.2 Policy Interventions

Many policies, strategies, technical standards, guidelines, and procedures have been developed during the reconstruction period by the government to carry out the reconstruction program.

Table 13: NRA procedures, guidance and standards for housing recovery

Themes	Procedures, guidance and standards
Land (Relocation)	Procedure for Relocation and rehabilitation of the risk-prone settlements -2073
	Procedure for Development of Integrated Settlements, 2075
Land	Land Acquisition procedure for the earthquake affected structure -2072
	Procedure for the land ownership registration of beneficiaries 2072
	Standards on habitable land purchase for earthquake affected beneficiaries - 2074
Heritage	Procedure for reconstruction of single or Multiple Ownership in Heritage Settlement -2076
	Procedure for the reconstruction of Gumba/ Monastery / Stupa - 2075
Finance	Procedure for grant distribution for reconstruction of Private housing -2073
	Unified Procedure for Interest Subsidy on Concessional Loan, 2075
	Integrated Procedure for the interest on the subsidized loan - 2074
Reconstruction	Procedure for providing the grant to the structure constructed before the mobilization of Technical Team -2076
Governance	Rules for Reconstruction of earthquake-affected structures -2072
	Public Procurement Procedure for Reconstruction of earthquake affected structures- 2072
	I/NGOs mobilization procedures for rehabilitation and reconstruction - 2072
	NRA Procedure for the legal appeal- 2073
	Guideline on training operation and management -2073
	Guidelines on Community Reconstruction Committees - 2073
	Procedure for Grievance Management related to reconstruction 2074
Procedure for technical inspection of private housing reconstruction 2075	
Vulnerable	Procedure for identification of beneficiaries under vulnerable category - 2074
Environment	Procedure for Environmental Impact Assessment for reconstruction of earthquake affected structure -2072

Despite the existence of all these policies and guidelines, several important issues are yet to be addressed, particularly in urban areas. Policies still in need of development include:

- **Retrofitting Norms and Policies**

There are many retrofit beneficiaries in urban areas who are yet to retrofit their damaged houses despite various POs' development and pilot testing of some retrofit technologies. Retrofitting of houses in urban areas remains a key challenge in urban reconstruction, largely due to the lack of retrofitting norms for rate analysis. Such norms provide a basis for technical professionals to estimate the cost of various retrofitting technologies. The

development and approval of retrofitting norms for rate analysis are needed to address this issue.

- **Demolition Guidelines**

Many damaged houses in urban areas are yet to be demolished, particularly row houses. These demolition plans are delayed due to the risk associated with the collapse of the adjoining houses while demolishing the damaged house. There are no guidelines explaining techniques to mitigate risk.

- **Concessional Loan Procedures**

The validity of the most recent procedure for accessing concessional loans has expired. Since many potential urban beneficiaries still lag behind in reconstruction due to lack of finance, the procedure should be renewed, revisited, and integrated with existing institutional structures to facilitate long term support for easy access to low interest concessional loans for housing..

- **Vulnerable Policies**

The current definition of vulnerable populations is too narrow, applies predominantly to rural areas, and does not include those experiencing multi-dimensional poverty. Squatter settlements, slums, street dwellers, vendors, marginal farm families, scavenging groups, among others, make up the poor urban population. Self-employment, daily wage unskilled work, domestic help, public transport work e.g., driving and fare collection, transportation of building materials e.g., sand, concrete and cement, waste collection, petty trade, running hotels, small restaurants and private tuitions are supporting livelihood activities of the poor urban communities, of which 62% have an average income from 5 to 10 thousand rupees (Urban poverty PAF Nepal). Home based work is one of the huge sub-sectors in the informal economy in urban areas (Mapping of HBWs in Nepal, HNN/UNIFEM, 2004) with 75% of this workforce comprised of women in Kathmandu Valley (HNN/AAIN/NLA, 2008).

- **Procedures to engage partner organizations in urban housing recovery**

As working in urban recovery is complex, NRA needs to develop a procedure to motivate POs to work in urban recovery. Partner organizations, particularly INGOs should be encouraged, motivated and given flexibility to invest in urban recovery as there are only a handful of organizations currently working in this area.

- **Heritage Reconstruction Policies**

The continued presence of conflicting provisions in the existing codes and regulations calls for a harmonization of building codes, building bylaws and vernacular heritage reconstruction. The Department of Archeology should work to clearly demarcate the boundary of heritage settlement. At the same time, local leaders should be empowered by the federal government to lead heritage construction efforts in their municipalities.

As for heritage settlements, in these cases, private housing and monuments have been considered separately. However, the settlements themselves including their houses, urban planning, and monuments should be seen in totality instead of as separate entities. This is lacking in the policies, which the NRA has developed for these areas. Finally, Urban House Pooling guidelines should be developed to further address multi-ownership issues, vernacular architecture and emergency evacuation.

5.3 Rationale for proposing an Urban Housing Recovery Strategy

- Globally, urban recovery takes longer. Beyond NRA's term (six years), a strategy is required for the remaining caseload of urban recovery, and for urban regeneration.
- The UN's Urban Housing Sector Profile for Nepal states that urbanization is happening rapidly in Nepal, along with issues such as scarcity of housing and strain on services such as water supply and waste management, even before the 2015 earthquake. Thus, an urban strategy is required to address both urban recovery and development issues.
- NRA's existing policies and provisions are the same for urban and rural areas; for example, the STA components and cash grants are the same for urban and rural areas. Through NRA's 5-year duration, no separate "urban strategy" has been developed.
- There are fewer partner organizations working in urban recovery. Moving forward, beyond NRA's exit, the responsibility will lie with allocated ministries and local governance to carry forward the reconstruction and recovery efforts; hence an urban strategy is needed for embedding urban housing recovery into this transition.
- The strategy provides a translation of best practices from the field in the form of proposed recommendations, which can then be endorsed by NRA through rounds of consultations.
- The urban strategy would not only address urban recovery and development, but also include preparedness and response for future disasters.

6. Stakeholder-based recommendations

The table below summarizes specific priority recommendations, highlighting the issues prioritized in the qualitative and quantitative study, along with key stakeholders, their roles and whether the recommendation can be carried out in the short- or long-term. Here, short-term indicates a timeframe within NRA's mandate, and long-term a period of approximately 5 years.

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Housing Recovery Finance	Access to affordable housing recovery and associated information sharing	NRA, POs, architects, engineers, municipalities	Within the framework of the owner-driven recovery model, more multi-stakeholders' focus is required on making reconstruction and retrofitting more affordable through innovation and local construction methods	Long-term	MoUD, academia, masons, contractors, NDRRMA
	Access to low-interest loans for housing from formal institutions	NRA, municipalities, Nepal Rastra Bank (NRB)	NRA: flexible guidelines to provide loans and coordination to NRB to allocate some fund as guarantee from gov side; Municipalities: link beneficiaries with banks NRB: Allocate Fund and directive to banks	Short-term	Banks, GMALI/DLPIU, donors, banks, financial cooperatives, microfinance institutions
		MoUD, municipalities, NRB	Building on NRA model above: MoUD to facilitate resilient urban housing development loans; Municipalities to implement loans	Long-term	Banks, GMALI/DLPIU, donors, banks, financial cooperatives, microfinance institutions

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Housing Recovery Finance	Setting up Revolving funds at Palika level	Municipality and community-based financial institutions/ Coops/ Women coops, MUAN.	Municipalities: lead overall financial management, allocate fund as seed money from own sources, coordinate with other stakeholders for additional funds, mobilise local financial institutions Ward Chair and community-based financial institutions/ Coops/ Women coops: key stakeholders in management	Long-term	NRA , MoUD and Provincial government : for setting up funds Seed money: Donor agencies
	Supporting community-based cooperatives by providing seed money to reduce the interest rates of local cooperatives	NRA, Existing Cooperatives	Facilitate making bulk loans available to cooperatives to mobilize housing loans at low interest rates	Long-term	Municipality, Department of Cooperatives
Land	Guideline for fast tracking remaining caseload of Guthis	Guthi Sansthan, NRA, MoUD	NRA to advocate for guidelines addressing guthi ownership papers and subsidizing Tiro (Guthi revenue) for reconstruction Guthi Corporation (regulated by Ministry of Land Reform) also to direct Guthis to subsidize Tiro/ collect it over a period of time for earthquake affected households	Long-term	Municipality

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Land	Provide alternatives for households with Small plots, RoW issues, river bylaws setback issues	NRA, Municipality	NRA to provide support to the MoUD to promote and implement land pooling through the Procedure for Development of Integrated Settlements, 2075. The other alternative is that municipalities buy parcels of land and facilitate relocation	Long-term	Municipality
	Amendment of Multiple-ownership guideline	NRA	NRA to suggest amendment of the multiple ownership guideline for the longer-term to include 1) core-urban areas in addition to heritage areas 2) horizontal and vertical division 3) include retrofitting beneficiaries	Long-term	MoUD, Municipalities
Heritage	Increased awareness and better access to top-up grant both from municipality and NRA	Municipality, NRA, DoA	NRA to recommend and handover the continuity of heritage top-up grants	Short-term (depending on funding)	Building/ DLPIU, Media
	More access to DoA support for heritage-related bylaws and drawing approvals	DoA, Municipality, DLPIU	DoA: Timely communication and approvals DLPIU: Increase coordination through workshops with municipalities and DoA NRA: further coordination workshops with DoA to co-create procedures.	Short-term	NRA, Ward, POs

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Heritage	Preparation of master plan for reconstruction and urban regeneration	Municipality, MoUD, DoA, community representatives	Municipality and MoUD to coordinate with DOA, line ministries and POs to prepare a master plan of heritage settlements linking it with various urban regeneration activities. Community participation to be undertaken at municipal level for this purpose	Long-term	POs, Ministry of Culture, Tourism and Civil Aviation, private sector
	Urban regeneration	Municipality	Municipality: to encourage private sector to come on board to facilitate the process	Long-term	Private sectors, Beneficiaries
	Trainings for masons and engineers regarding construction on heritage site	CLPIU and DLPIU	CLPIU: to conduct training to masons and engineers on the construction technology in core urban area and heritage sites	Short-term	Municipality, POs
Communication	Communication of updates on policies and provisions to reach until Tole and beneficiary level of all 32 districts.	NRA, municipalities, DLPIU Building and GMALI	Convene sessions with DLPIUs and municipalities to analyze current communication gaps and NRA to establish mechanism with DLPIUs, municipalities and media on regular and timely updates to beneficiaries	Short-term	Media, POs
		NRA, CLPIUs/ DLPIUs	NRA to establish formal communication mechanisms for effective flow of information to and from vulnerable beneficiaries	Short-term	Wards, POs, DLPIUs, CBOs, Mother's group

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Communication	Research and mapping of NRA's information flow ecosystem to pass on learnings from knowledge gaps	NRA	As a learning objective, NRA to analyze and map information flow in the reconstruction program in the last 5 years, to share learnings with MoUD and NDRRMA for future programs and policies	Long-term	MoUD, NDRRMA, POs, academic institutions, independent researchers
	Knowledge management at all levels of governance	NRA, NDRRMA, CLPIU, GMALI, DLPIU, GMALI, Municipality, media	Phase-wise knowledge transfer by NRA to NDRRMA with support by MoUD NRA, CLPIU, DLPIU: Knowledge transfer to municipalities and wards to include strong focus on capacity building Media engagement to support continuous advocacy	Long-term	MoUD, POs
STA	Defining components of urban STA and corresponding stakeholders	NRA, MoUD, POs	NRA and MoUD to coordinate with POs to define urban STA components, stakeholders and endorse Urban STA Guideline	Short-term	NRA engineers, mobile masons, social mobilizers, Municipality, community representatives
	Linking STA with longer term development and preparedness	Municipality, DUDBC/ MoUD	Municipality leadership in STA linked with building code implementation and preparedness activities with regulatory guidelines from DUDBC/MoUD	Long-term	NDRRMA, POs

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
STA	Scale up coverage of urban STA	NRA, Building/DLPIU, POs, Donors	NRA & MoUD to engage more POs in urban housing recovery, adopt lessons from previous programs to focus on capacity strengthening at municipal level to scale up STA	Short-term	Municipality, POs, construction companies, contractors, masons, social mobilizers
Urban Retrofitting	Scaling up of technical assistance for retrofitting	NRA, Building/DLPIU, POs	NRA and Building/DLPIU to capacitate municipalities for facilitation and mobilize technical persons based on the retrofit caseload, POs to support NRA on the technical assistance coverage	Short-term	Municipality, engineers, mobile masons, social mobilizers
	Retrofit solutions for adjoined houses, mostly in traditional settlements	Building/DLPIU, POs	Building/DLPIU in coordination with POs to look into research and design of solutions for adjoined houses	Long-term	NRA, Academic institutions
	As potential for urban retrofitting is very high, strongly link to NRA exit strategy and long-term urban development	NRA, MoUD, NDRRMA	Knowledge, gaps and human resource potential from NRA's retrofitting program to be embedded in MoUD and NDRRMA's mandates.	Long-term	POs
Assistance for urban vulnerable	Increased access to finance for urban vulnerable beneficiaries	NRA, NRB	NRA to work with NRB and community cooperatives to grant subsidized housing recovery loans to vulnerable caseloads on priority basis	Short-term	Banks, community cooperatives, municipalities
		NRA, Ward, Municipality	NRA to expedite process for vulnerable top-up support in coordination with wards and municipalities	Short-term	GMaLI& Building/DLPIUs

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
Assistance for urban vulnerable	Establish a guideline for key role of POs and local level in devising and implementing special STA for vulnerable	NRA, MoUD, municipalities	NRA to develop guideline such that POs provide immediate assistance and local level provides longer-term STA to vulnerable beneficiaries	Long--term	POs
	Research and mechanism are required on defining future vulnerability criteria	NRA, CLPIUs,POs,	Based on Nepali and global experience, NRA to coordinate analysis and recommendations for development and future disaster response on definition of vulnerability criteria	Long-term	academic institutions
	Develop Vulnerable Guideline for multi-hazard assistance	NRA, GMALI	NRA and MoWCSC to develop vulnerable guideline based on various policies established for vulnerable support and gaps that remain	Long-term	Municipalities
Policy	Develop a procedure to involve POs more actively in urban housing recovery	NRA, POs, MoWCSC, MoFAGA, MoUD	NRA to facilitate coordination with MoUD with attractive schemes to influence POs for engaging in urban housing recovery	Short-term phase 1 and long-term phase 2	Donors, municipalities
	Guidelines for increasing capacity and authority at local-level	NRA, MoUD	NRA's policy interventions in transition from recovery to development to decentralise authority to local level	Long-term	Municipalities, provincial government

Urban Recovery Barrier	Priority Recommendations	Primary Stakeholders	Recommendation and Role	Timeframe	Supporting Role
COVID-19 IMPACT	Ensure essential materials are available	Private sector, Municipalities	<p>Municipalities to promote the use of local materials</p> <p>Municipalities to coordinate with private sector and beneficiaries to understand the material need and availability</p>	Short-term	NRA, District coordination committee (DCC)
	Market monitoring and control for possible inflation of the material price	Municipalities, DCC, NRA	NRA and DCC to encourage local government to subsidize taxes in local raw materials	Short-term	District Administration Office (DAO)
	Develop and communicate COVID-19 safety and security messaging for masons, engineers, beneficiaries and community	NRA, POs, municipality and media	<p>NRA engineers, municipalities and POs to share safety guidelines, regular updates and best practice examples of safety measures.</p> <p>NRA to closely coordinate with Media such as Baliyo Ghar</p>	Short-term	independent researchers, health experts, international community
	Increase socio-economic improvement plans and programming	GoN, POs, Donors	GoN, partners and donors to focus on supporting establishment of strengthening of lost livelihoods	Long-term	NRA

Please click [Link \(https://drive.google.com/file/d/1vfaDr3JBU624F3Xq781t3TwRhEFGVF2u/view?usp=sharing\)](https://drive.google.com/file/d/1vfaDr3JBU624F3Xq781t3TwRhEFGVF2u/view?usp=sharing) to access the quantitative survey questionnaire.

For any queries related to qualitative and quantitative research please contact - info@hrrpnepal.org

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नेपाल सरकार
राष्ट्रिय पुनर्निर्माण प्राधिकरण
सिंहदरबार, काठमाडौं



नेपाल सरकार
राष्ट्रिय पुनर्निर्माण प्राधिकरण
केन्द्रीय आयोजना कार्यान्वयन इकाई (भवन)
बबरमहल, काठमाडौं