



HRRP Underlying constraints of urban housing recovery in post Gorkha EQ

Bhubaneswari Parajuli & Bishan Wagle - HRRP

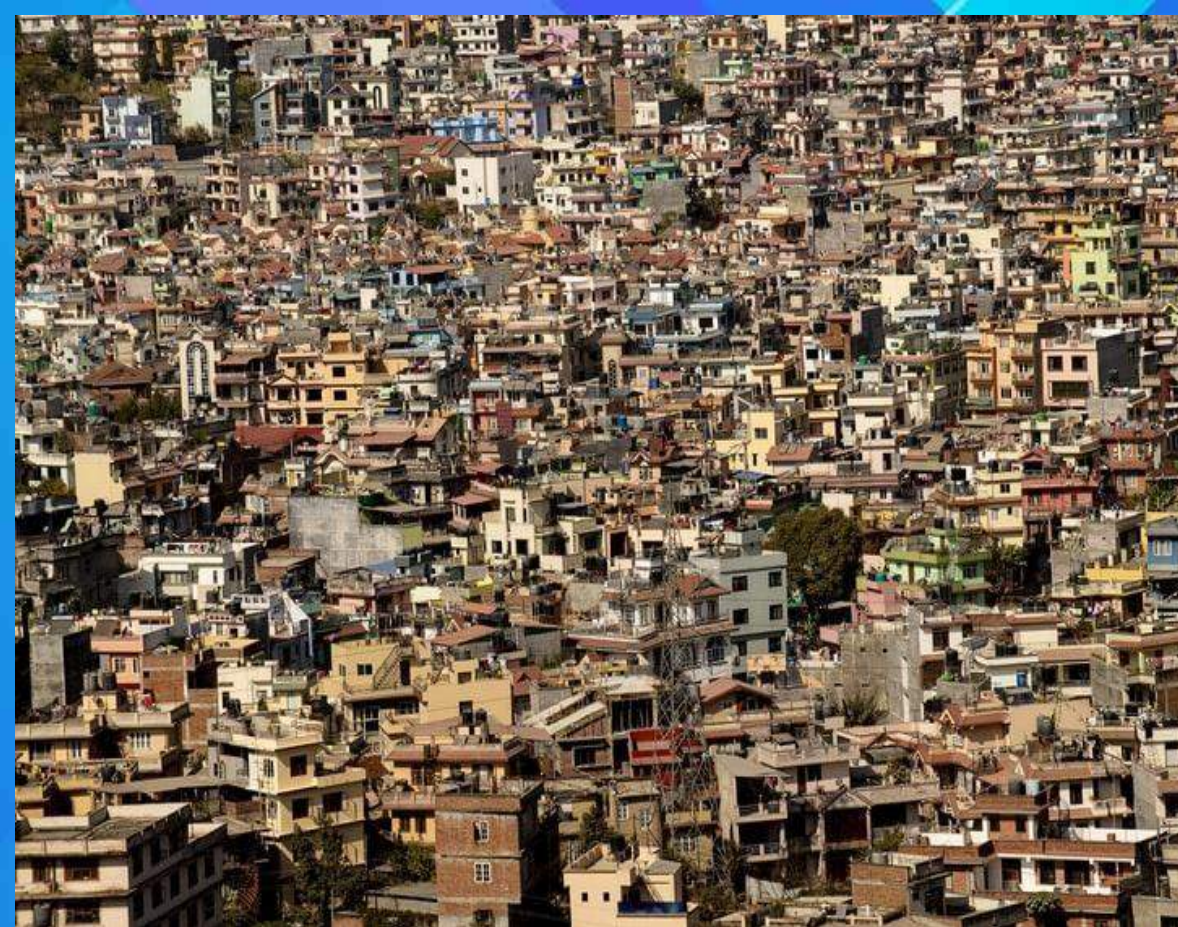
Underlying Constraints of Urban Housing Recovery in Post- Earthquake Nepal

UK Shelter Forum 27

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Ms. Bhubaneswari Parajuli, National Coordinator-Technical
Mr. Bishan Wagle, Urban Coordination Officer

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PRESENTATION OUTLINE



- 2015 Earthquake in Nepal
- Urban Housing Recovery Status
- Urban Housing Recovery Studies
- Key Urban Housing Recovery Issues
- Excerpt from Recommendations
- Moving Forward

GORKHA EARTHQUAKE 2015, NEPAL



Overview : 7.6 Magnitude, 25 April

- 32 out of 77 districts impacted
- 1 million houses collapsed & damaged
- 40 % of housing damage in urban areas

National Reconstruction Authority (NRA)

- Set up in Dec 2015, to lead and facilitate reconstruction-including private housing
- NRA housing grant NPR 300,000 (USD 2500)-in 3 tranches-to eligible HHs.

Reconstruction Progress

Eligible HHs	HHs Enrolled	1st Tranche	2nd Tranche	3rd Tranche
855160	809711	807908	699351	636252
Progress	95%	100%	86%	79%

Source: HRRP March 2021

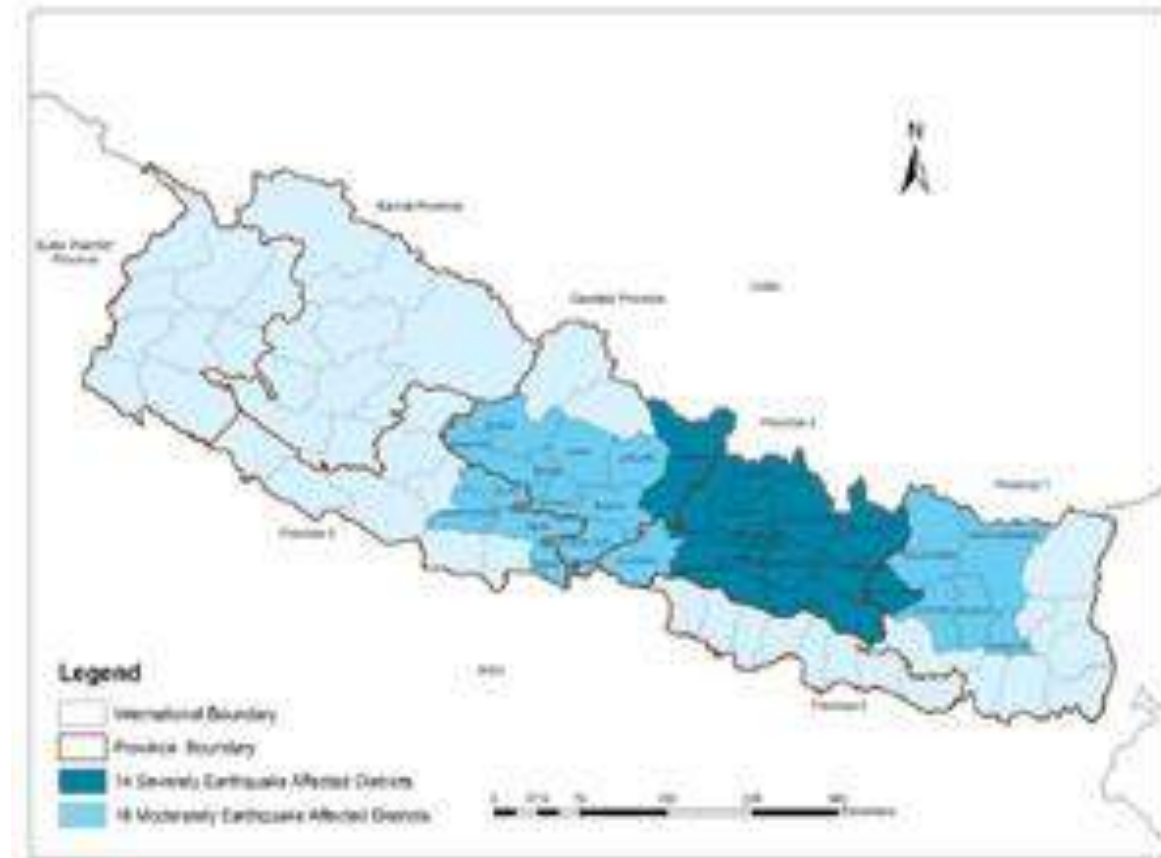


Figure 1: The 32 earthquake-affected districts of Nepal

¹ PDNA Vol. B, 2015

² PDNA Vol. A, 2015

URBAN HOUSING RECOVERY STATUS



URBAN VS. RURAL

Location	3rd Tranche
Rural	81.81%
Urban	61.61%

Data: Jan 2021, HRRP

KATHMANDU VALLEY VS. OUTSIDE KTM

Location	3rd Tranche
Out of Valley	70.8%
KTM Valley	38.8%

WHY URBAN HAS FALLEN BEHIND ?



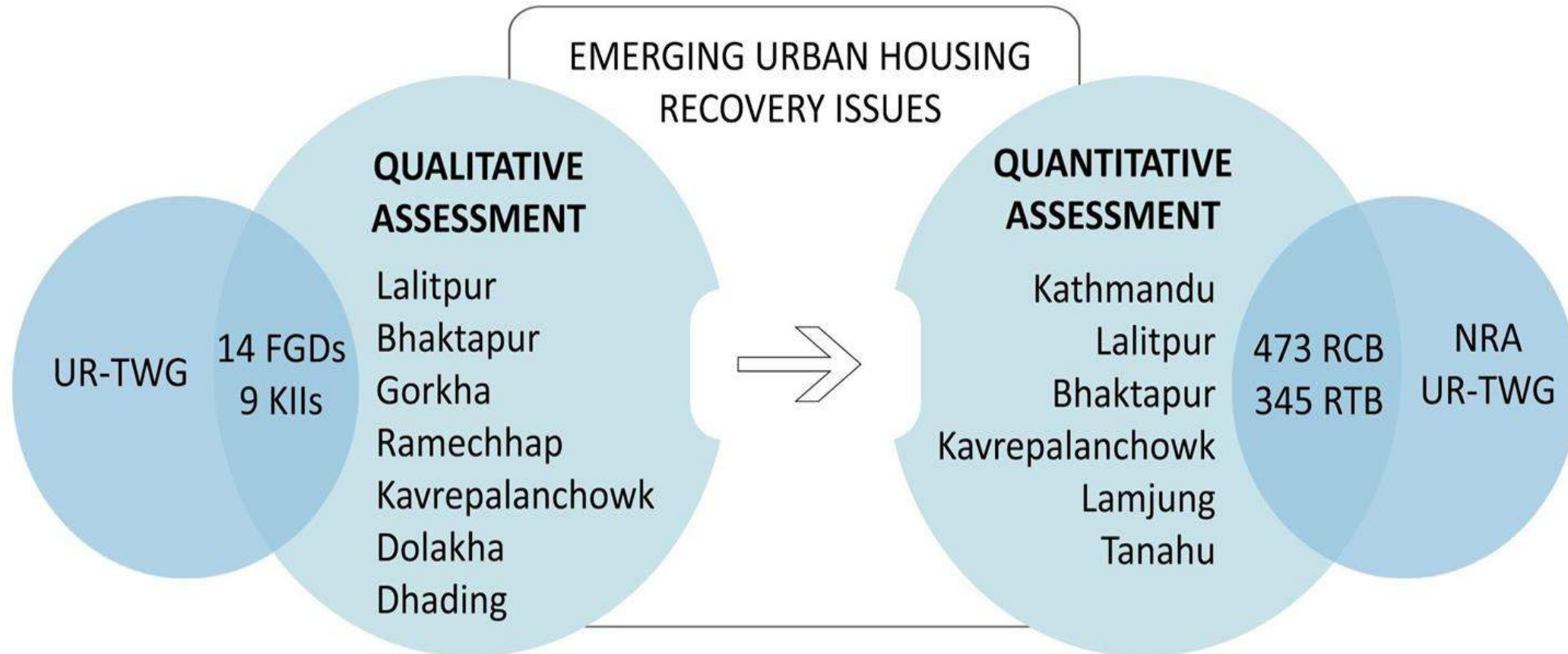
- Original assumption that Urban recovery would be faster and efficient.
- That it had the capacity to rebuild faster- better access to markets, materials, manpower, resources, compared to rural- which had less market access!
- However, it turned out bit opposite. Later this slowness triggered NRA and partners to realize.
- Urban housing recovery more complex than rural housing
- Other inter-linked barriers/issues.



URBAN RECOVERY STUDY RESEARCH



GoN/NRA, HRRP and UR-TWG conducted 2 studies to understand & diagnose key issues on urban housing recovery



IDENTIFICATION OF ISSUES: FINDINGS FROM QUALITATIVE STUDY

Study identified more than 55 and prioritised urban recovery issues

Prioritized issues clustered under 11 categories

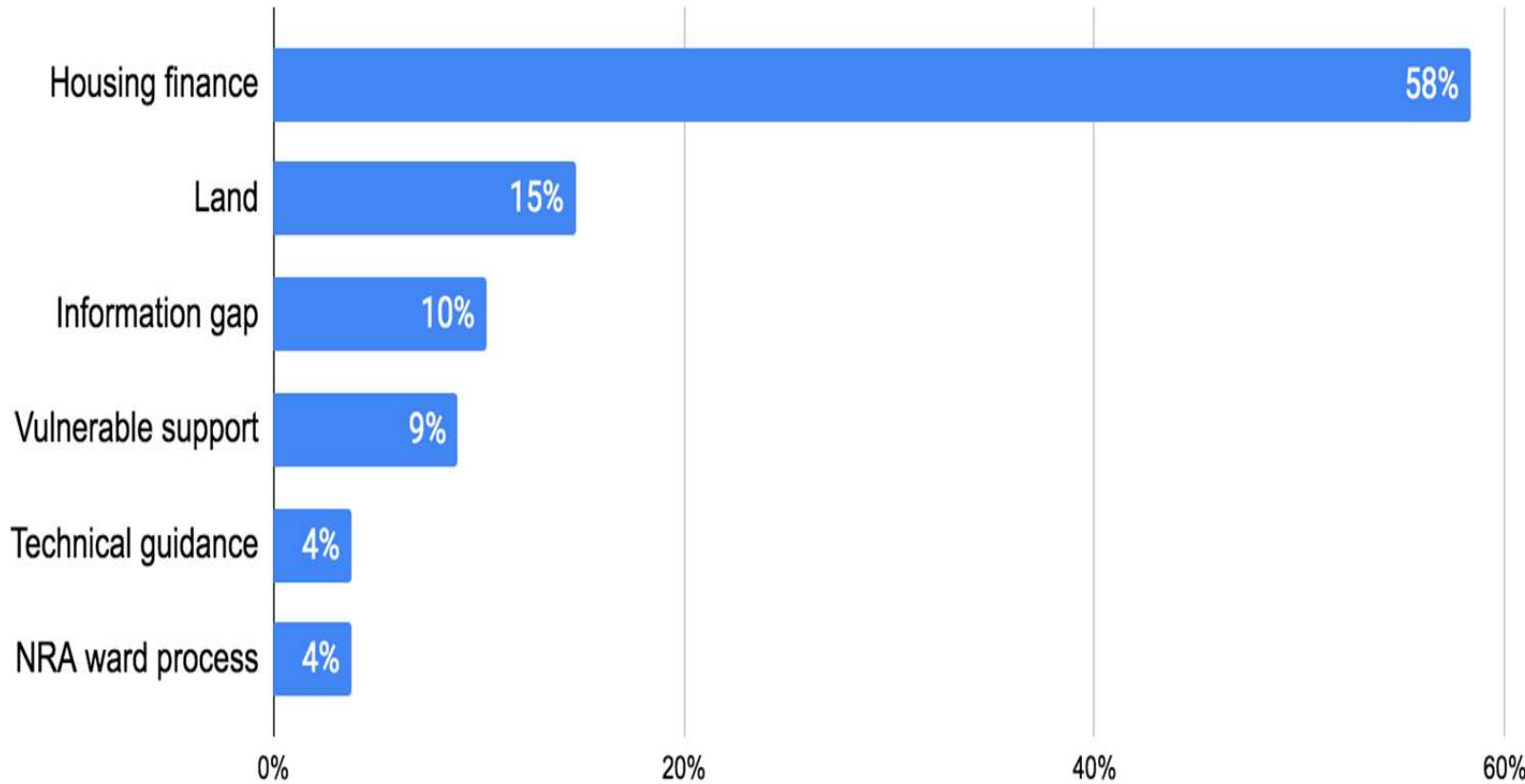
Each Prioritized issue is further analysed

CATEGORY	TOP- MOST PRIORITIZED ISSUES	CATEGORY	TOP- MOST PRIORITIZED ISSUES
FINANCE	Affordability	TECHNICAL	Built 1-room house/small house
	No soft loan access		material cost
	access to finance		Set back
	private loans at high interest		Building Permits
	Debt before earthquake		Technically not feasible
LAND AND HERITAGE	Land ownership documents	RETROFITTING	Less technical guidance
	multi ownership		Misinformation
	Small plots		Require tranche increase
	Cadastral inconsistency		Transfer (retrofitting)
	No NRA topup info		Less information
PROCESS/ POLICY	Reconstruction guidelines changed	COMMUNICATION	Inconsistency in information
	grievance redressal issue	VULNERABLE GROUPS AND WOMEN	Require technical + supervision assistance
	Tranche disbursal slow		Less women participation
	Tranche deadline		No special STA
	Ward should have more responsibility	MASON	Mason from outside district

FINDINGS FROM QUANTITATIVE STUDY



Key Reconstruction Challenges



Sub-Issues of Finance Recovery

Insufficient Income	77%
Private loans high interest	29%
Not aware of affordable loans	27 %
Limited access to NRA soft/subsidized loan	16 %
Debt post-EQ, financial issues	4%
Debt pre-and debt post-EQ	4%

Socio-Technical Assistance (STA)



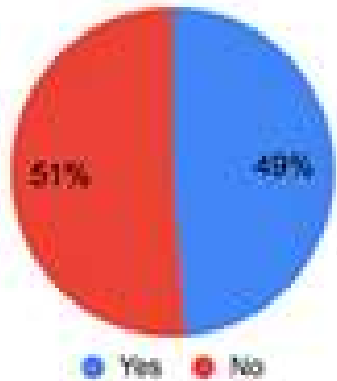
On-site construction issues

Material Cost	23%
Demolition	18%
Labor cost	14 %
Debris clearance	13%
Materials availability	11%
Labor availability	11%

Seven-component STA package to address gaps & for uniformity



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**Survey results overall:
51% did not receive
any form of assistance**

EXCERPT: HOUSING RECOVERY FINANCE



SOME RECOMMENDATIONS

- Setting up a **revolving fund** at Local (*Palika*) for reconstruction especially for more marginalized HH
- Promoting **incremental housing** with development manuals to detail process
- Working with local **community based cooperatives**
- Mechanisms to incentivise the **use of local materials** and low-cost construction techniques
- **Amend by-laws** to include and develop manuals to detail process of incremental housing
- Develop comparatively **flexible guidelines** to provide **loans**
- Increase deprived sector loan size. **Facilitate** the central & commercial **banks** to bring change in policy.
- **Reform in existing policies/by-laws** with **tax exemption provisions** - approval process, materials
- **Revise** '*Unified Procedure for Interest Subsidy on Concessional Loan, 2018*' to increase loan size

POSSIBLE JOINT POLICY RECOMMENDATIONS

Issue	Priority Recommendations	Recommendation and role
Access to Finance	Access to affordable housing recovery	Within owner-driven recovery model, more multi-stakeholders' focus is required on making reconstruction and retrofitting more affordable through innovation and local construction methods
	Access to low-interest loans for housing from formal institutions	GoN/NRA: flexible guidelines to provide loans and coordination to central bank to allocate some fund as guarantee from GoN side; Municipalities: link beneficiaries with banks Central Bank: Allocate Fund and directive to banks
	Setting up Revolving funds at Local level	Municipalities: lead overall financial management, allocate fund as seed money; mobilise local financial institutions
Land	Provide alternatives for households with Small plots, RoW issues..	GoN/NRA to provide support to the Ministry of Urban Development (MoUD) to promote and implement land pooling through existing law on Integrated Settlements.
	Amendment of Multiple-ownership guideline	GoN/NRA to suggest amendment of the multiple ownership guideline for the longer-term in addition to heritage areas 2) horizontal and vertical division 3) include retrofitting beneficiaries

MOVING FORWARD - Recovery to Resilience!



- Policy reforms ongoing
- Integration of recovery into development (policy and institutional framework)
- Integration with longer term urban resilience
- Joint pathway- in taking forward urban housing strategic issues.
- Area-based settlement approach
- Linking to global recovery context



THANK YOU !