

Nepal Rural Housing
Reconstruction Program

Program Overview and Operations Manual Summary

Program Overview

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SCOPE OF THE DISASTER

On April 25, 2015, a 7.8 magnitude earthquake struck Nepal. Following a second strong earthquake on May 12 (7.3 magnitude), and a sequence of aftershocks, the Government of Nepal (GoN) reported the death toll at 8,700, while those injured reached 25,000. A Post-Disaster Needs Assessment (PDNA), completed in June 2015, found that total damages and losses amounted to about US\$7 billion, with reconstruction needs of about US\$6.7 billion. As the earthquake sequence destroyed 490,000 houses -- mostly traditional mud-brick and mud-stone houses built and occupied by the rural poor -- and rendered another 265,000 houses at least temporarily uninhabitable, the largest single need identified in the PDNA was housing and human settlements, accounting for US\$3.27 billion or almost half of the total reconstruction needs.



Housing reconstruction and human settlements were identified in the PDNA as the largest single need, accounting for almost half of the total reconstruction needs

NEPAL HOUSING RECONSTRUCTION PROGRAM

To address the housing reconstruction needs and **to build a more resilient Nepal**, the Government of Nepal is leading the overall housing reconstruction efforts nationally through a housing reconstruction program meant to encompass all of the housing stock to be rebuilt. The program will also serve as a coordinating framework to standardize housing reconstruction policy, irrespective of the funding sources.

RURAL HOUSING RECONSTRUCTION PROGRAM (RHRP)

The Rural Housing Reconstruction Program will focus on **restoring affected housing in 14 targeted rural districts** while providing technical support to enhance the government's ability to improve long-term disaster resilience.

The program's overall objective will ensure that houses destroyed in the most-affected districts of the country will be rebuilt using earthquake-safer building techniques through grants and technical assistance to eligible households from the Government of Nepal.

The program also seeks to equip beneficiaries with skills to **construct earthquake-safer core housing units** supported by **training, technical support and a subsidy program**, and allow households to continue incremental construction with improved techniques.

To support the Government of Nepal's rural housing reconstruction efforts, a Multi-Donor Trust Fund has been established with support from the US Agency for International Development (USAID), the Swiss Agency for Development and Cooperation (SDC) and the World Bank. Key Development Partners, such as the Japan International Cooperation Agency (JICA), are working in close collaboration with MDTF partners in extending the coverage of the rural housing reconstruction program services to additional areas of the country.

Box 1 - Operating Principles of the Nepal Rural Housing Reconstruction Program

- Owner-driven
- Harmonized approach
- Flexible to local realities
- Multiple tranches of grant assistance with verification
- Designed around rebuilding with greater resilience
- Based upon international experiences and best practices from other Housing Reconstruction Programs



Photo: The World Bank

The Program's objective is to restore and improve long-term resilience to rural housing damaged during the April and May 2015 earthquakes in Nepal using earthquake-safer building techniques and materials through an **owner-driven approach** while encouraging a culture of safer and sustainable housing and settlements.

BENEFICIARIES

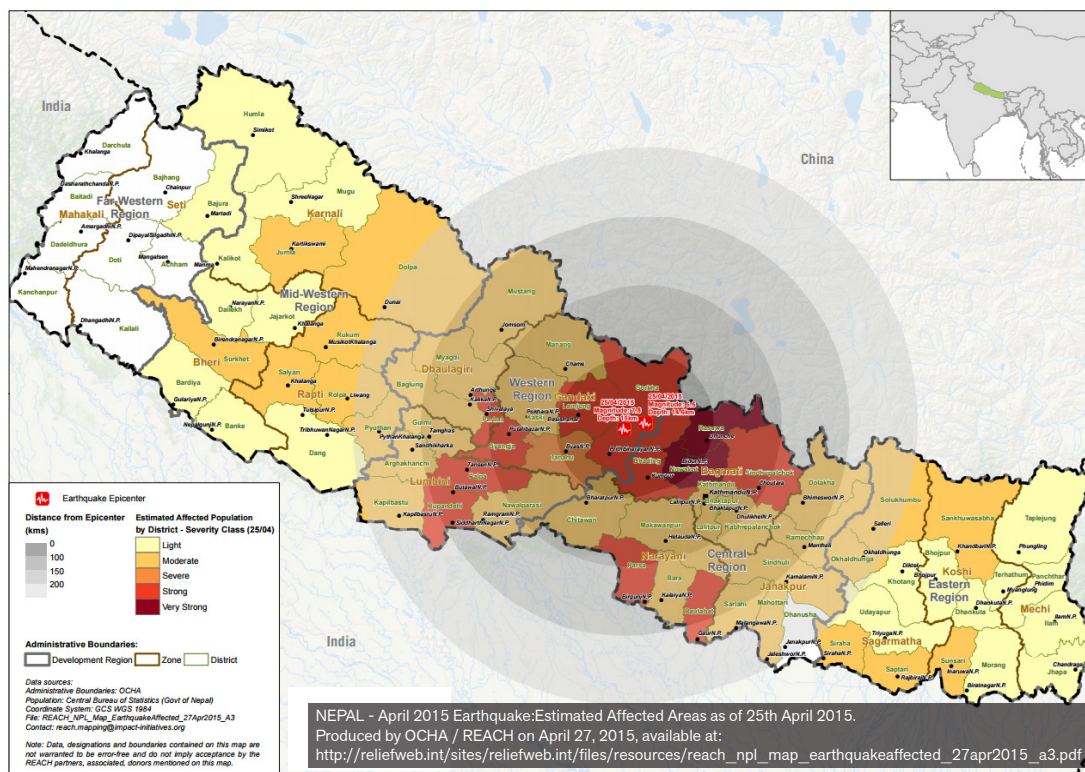
The program will directly benefit approximately **55,000 households** (or about one-tenth of the housing destroyed in the earthquake sequence) located in municipalities within the 14 most-affected districts of Nepal (see figure 1). A high proportion of houses in these districts are categorized as completely damaged and/or in need of demolition.

Technical advice (provided through the RHRP), to improve long-term disaster resilience, will be aimed at **all housing reconstruction** beneficiaries estimated to be approximately **490,000 households**.



Photo: The World Bank

Figure 1- Target Districts of the Rural Housing Reconstruction Program



The 14 targeted areas of the Nepal Rural Housing Reconstruction Program include the following districts:

- Sindhupalchowk
- Kavrepalanchowk
- Kathmandu
- Lalitpur
- Nuwakot
- Dolakha
- Dhading
- Ramechhap
- Rasuwa
- Makawanpur
- Gorkha
- Okhaldhunga
- Bhaktapur
- Sindhuli

ELIGIBILITY

Eligibility will be determined based on a comprehensive, door-to-door assessment of the damages to the housing stock in the affected districts, carried out by the Central Bureau of Statistics (CBS).

Key Steps in the Eligibility Process:

- Eligible beneficiaries under this program must sign a legally binding **Participation Agreement (PA)** with their respective Village District Committee (VDC) or municipality. The *Participation Agreement* outlines the entitlements and obligations of both parties regarding key details of the program such as payment, housing construction standards, and grievance redress mechanisms.
- Those who have started reconstruction with their own initiatives are eligible to receive a **subsidy** provided that inspections certify that they are following the **Nepalese Building Code (NBC) standards** as well as environmental and social standards.
- Beneficiaries will receive **technical and social support** to rebuild their houses using earthquake-safer construction standards, in line with the NBC, and a subsidy of NPR 200,000 (Nepalese Rupee) per house.
- The subsidy will be disbursed in **three tranches**, conditional on meeting the program standards as follows: NPR 50,000 upon signing the *Participation Agreement*, NPR 100,000 upon completion up to lintel/wall level, and NPR 50,000 upon casting of the roof.

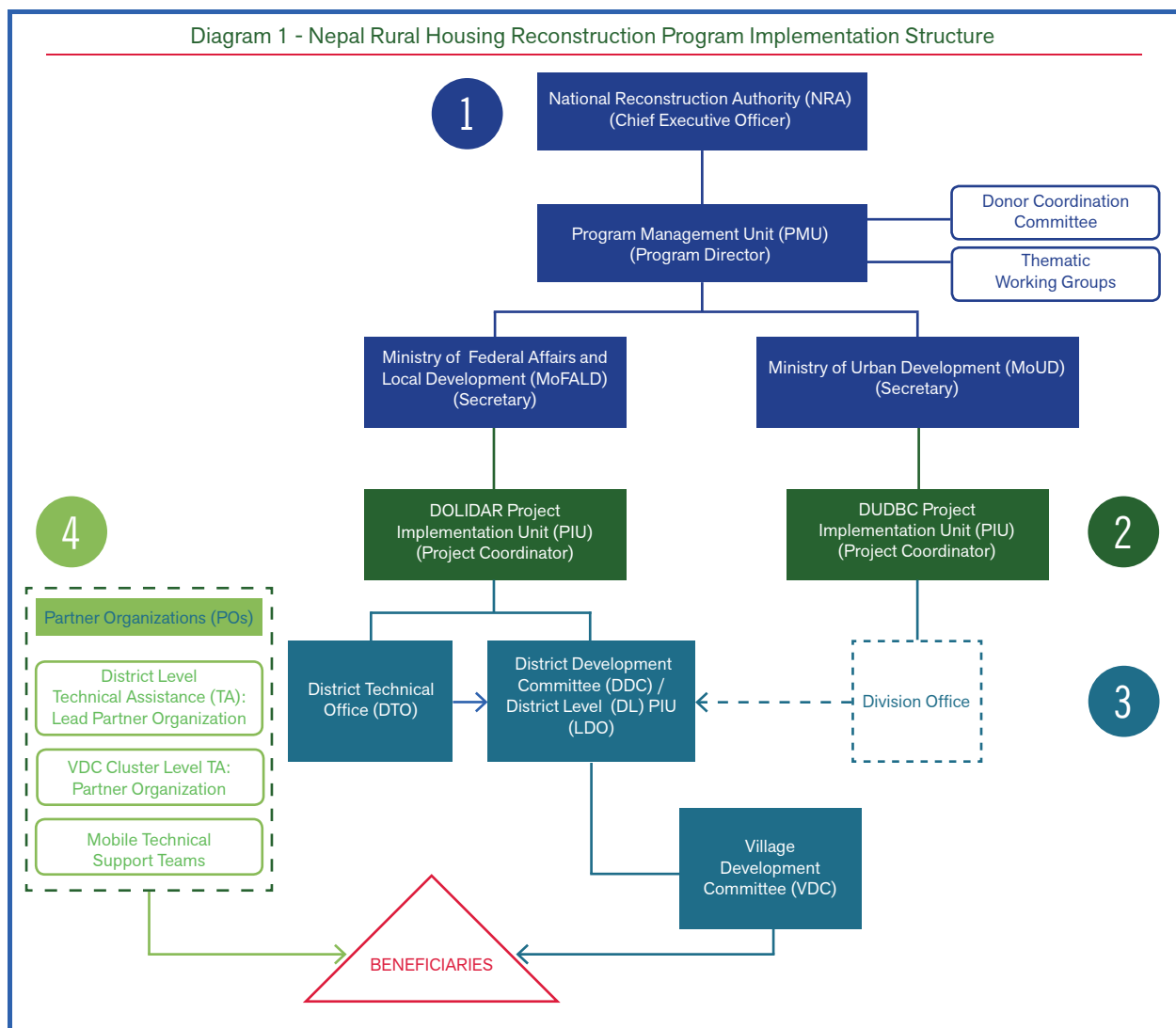


Program Implementation

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IMPLEMENTATION ROLES AND RESPONSIBILITIES

Under the leadership of the Government of Nepal, the Rural Housing Reconstruction Program's implementation has been carefully structured to reflect the program's operating principles (mentioned above in Box 1) as well as the conditions on the ground. As shown in Diagram 1, there is both flexibility as well as regular monitoring and evaluation to assure that implementation is responsive to the needs of beneficiaries. Best practices have been gleaned from other international reconstruction experiences and incorporated into the implementation structure and procedures for the RHRP.



1 NATIONAL LEVEL

National Reconstruction Authority (NRA)

Leads the Housing Reconstruction Program Nationally

- Provides policy guidance, coordination and oversight of the Earthquake Housing Reconstruction Program (EHRP)
- Facilitates broad communication and coordination across the Government of Nepal
- Established by the Government of Nepal with participation from high-level representatives from concerned ministries, divisions and implementing agencies

Program Management Unit (PMU)

Leads the Rural Housing Reconstruction Program

- Coordinates program activities and oversees the reconstruction process in rural areas
- Will establish and support a **Donor Coordination Committee (DCC)** for all donors providing financial assistance to the program
- Housed in the National Reconstruction Authority
- Headed by a Program Director responsible for program supervision

Donor Coordination Committee (DCC)

Under the PMU, the DCC provides a platform for the Government of Nepal's Donor Coordination of the overall programmatic strategy

- Chaired by the National Reconstruction Authority's Chief Executive Officer (CEO)

Project Management Units (PMU) Thematic Working Groups

Supports the overall programmatic strategy in specific areas

- Coordinates with and supports the Program Management Unit (PMU) through thematic groups
- Will include representatives from the Government of Nepal and Development Partners supporting the program. May be extended to include representatives from international and national non-governmental organizations (NGOs), and national/international experts, based on need
- Thematic Working Groups include: i) Technical Information; (ii) Technical Capacity Development; (iii) Supply and demand projection and information chain; (iv) Social and community recovery and development; (v) Communication and outreach; (vi) Coordination, reporting, monitoring and evaluation; (vii) Financial inclusion; (viii) Disaster risk management (housing and settlement)

GoN PROJECT IMPLEMENTATION UNITS (PIUs)

Project Implementation Unit (PIU)

2 Coordinates & oversees implementation at the project level

- **PIUs are established under the Program Management Unit** and under the overall guidance and coordination of the respective ministries and implementing agencies.
- Each PIU will be headed by a project director and will coordinate closely with each other.
- These two units, specified below, are responsible for efficient and effective implementation and regular monitoring of activities.

Department of Urban Development and Guild Reconstruction (DUDBC) Project Implementing Unit (PIU)

Under the Ministry of Urban Development (MoUD), and established in the Department of Urban Development and Building Construction (DUDBC), the **DUDBC-PIU** will be responsible for:

- establishing housing construction standards,
- procuring and managing Partner Organizations,
- developing and overseeing the implementation of the cascading training, and
- providing technical inputs to oversee housing reconstruction.

Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) Project Implementing Unit (PIU)

Under the Ministry of Federal Affairs and Local Development (MoFALD), the **DoLIDAR PIU** will be responsible for the:

- provision of housing reconstruction grants,
- management of household and beneficiary databases,
- management of feedback mechanisms, and
- hosting survey data: the beneficiary survey data will reside under the Department of Civil Registration (DoCR) of the MoFALD.

3

GoN SUB NATIONAL LEVEL

Fourteen District Development Committees (DDCs) (or District Level Project Implementing Units (DL PIUs))

Responsible for overall development of activities at the District Level

- Within the GoN's local government administrative structure and overall policy guidance and coordination of MoFALD, the DDCs (or DL PIUs) are headed by a Local Development Officer (LDO) who acts as the District Level (DL) Project Implementation Unit's Project Coordinator and will be responsible for implementation at the District Level.
- The heads of the District Technical Office (DTO) and the ***Department of Urban Development and Building Construction's*** (DUDBC) Division Office (DO) will work closely with the Local Development Officer/District Level PIU Project Coordinator and provide technical and administrative input.

The Village Development Committees (VDCs)

Coordinates village-level activities

- The next tier of local government are the VDCs who will report to the Local Development Officer (LDO)/District Level PIU Project Coordinator. This coordinator, will also coordinate and report to the DoLIDAR and DUDBC PIUs on the implementation progress at the District Level.
- The GoN will set up an inspection system and process to ensure that every reconstructed household gets inspected. Each Village Development Committee (VDC) should have at least one inspector who will be responsible for: 1) issuing building permits; 2) conducting inspections and helping to process the documentation for release of pending tranche, and 3) ensuring compliance with environmental and social safeguard criteria, and communicating the National Building Code and earthquake-safer construction guidelines.

4 Partner Organizations (POs)

POs will be contracted by the program (through DoLIDAR PIU) to carry out field-level project activities with regard to enrollment, training, mobilization, orientation, and the mobile technical support teams. Support provided by POs will include:

- Cluster-Level Training Centers, of which there will be one per cluster of 10-15 Village Development Committees (VDCs).
- Mobile Technical Support Teams, of which there will be at least one in each Village Development Committee (or per 1,000 buildings) for technical assistance to household beneficiaries.

IMPLEMENTATION PROCEDURES

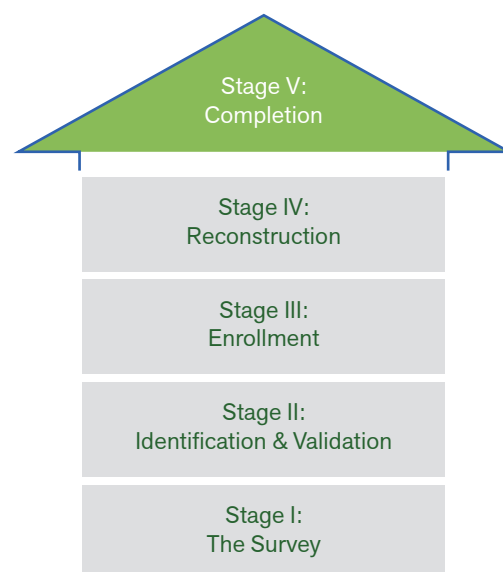
The Nepal Rural Housing Reconstruction Program is structured around **five major stages** of implementation (see Figure 1) -- each one building upon the other, as follows:

Stage I: The Survey

The Central Bureau of Statistics (CBS) is conducting a comprehensive census of damage to the housing stock in each of the fourteen most-affected districts. Technical and logistical support is being provided by UNDP (United Nations Development Programme). This door-to-door assessment will generate **a beneficiary/damage database** to serve as the basis of the rural housing reconstruction program as well as assist in the effective monitoring of the recovery process.

CBS will liaise with the Ministry of Housing Affairs (MoHA)/District Disaster Relief Committees (DDRC) in the data collection and use the data already collected by the rapid visual assessment that has been conducted by the MoHA/Ministry of Federal Affairs and Local Development (MoFALD).

Figure 1 - Building Resilience in Nepal:
Stages of Implementation



Stage II: Identification and Validation

Based on the eligibility criteria, an analysis of the survey results will generate a **list of eligible households at the Village Development Committee level** (and when possible, at the local ward level). The beneficiary list will be published at the local level and a **grievance period of 35 days** will be provided to allow for inclusion/exclusion claims and grievances.

Stage III: Enrollment

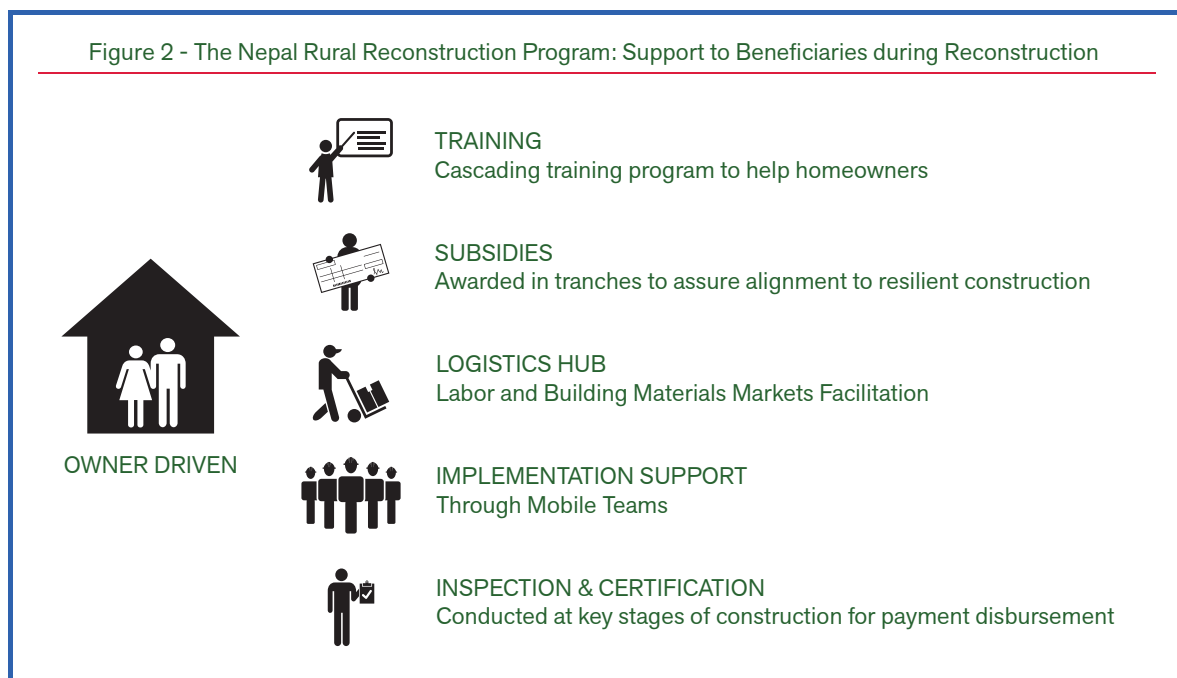
Eligible beneficiaries will enroll in the program by entering into a legally binding **Participation Agreement (PA) with their VDC or municipality**. The PA outlines the entitlements and obligations of both parties regarding key details of the program such as:

- payment
- housing construction standards and
- grievance redress mechanisms (how beneficiaries can address any complaints).

During enrollment, those beneficiaries without **bank accounts** will be assisted with opening one or with determining another workable payment mechanism.

Stage IV: Reconstruction

The **principal of owner-driven reconstruction** is fundamental to the Nepal housing program. Beneficiaries will be supported with socio-technical assistance; training and market facilitation; and cash-based assistance, provided in tranches, upon certification of earthquake-safer techniques guided by Nepal's National Building Code (NBC). The reconstruction stage encompasses the following components (see Figure 2):





Training: A cascading training program is an integral part of the reconstruction effort. A uniform reconstruction training curriculum has been developed and approved by the Ministry of Urban Development (MoUD). At the national level, “master trainers” are being prepared to instruct and coach mobile teams on resilient construction techniques/materials. The mobile teams will, in turn, work in individual VDCs/ municipalities to train artisans and contractors who will be directly involved in the reconstruction. Training centers and technical assistance support will be set up in collaboration with partner organizations (e.g., NGOs, private sector firms, academia, etc.), which will be responsible for the training of master artisan trainers, mobile trainers, artisans and homeowners.



Subsidies: In conjunction with training, a subsidy for housing reconstruction will be provided in tranches, based on proper completion of various stages of construction. This will encourage owner-driven reconstruction alignment with Nepal's National Building Code (NBC). The VDC/municipality will assure the layout and building as per the LSGA (Local Self Government Act); DUDBC (working in conjunction with DTO/DoLIDAR and other Partner Organizations (POs)) will ensure the adaptation of the National Building Code. Housing grants will be directly deposited into individual beneficiary bank accounts which will follow a relaxed Know-Your-Customer (KYC) requirement as specified by NRB (Nepal Rastra Bank, the Central Bank of Nepal). The accounts will include the following minimum service features:

- a savings account with transaction facility,
- relaxed KYC attributes, including Earthquake-Affected Household IDs in cases where a beneficiary does not possess a citizenship document, and
- accessible at a bank branch, an ATM or an agent.



Logistics Hub, Labor and Building Material Markets Facilitation: The program will help guarantee a continuous supply of building materials and skilled labor, and manage potential shortage and/or adverse price fluctuations of the resources through Partner Organizations. To this end, the program will:

- develop area-specific demand and supply projections, and provide this information to the private sector and consumers,
- establish resource availability and price-tracking mechanisms,
- provide continuous information on prices, location, and mechanisms for procurement to beneficiaries, POs, and the private sector, and
- develop action plans to ensure appropriate and continuous supply of materials and skilled labor



Implementation Support: Each VDC will have a mobile team composed of technicians and social mobilizers. The team's main responsibility will be to conduct awareness campaigns and orientations for homeowners, provide on-the-job assistance to workers on site, and organize social gatherings and meetings to discuss problems and difficulties faced during the reconstruction phase in order to help identify solutions.



Inspection and Certification: Inspection will be conducted to ensure that the housing reconstruction follows the NBC and is in compliance with the necessary conditions for the cash transfer. Inspection will be done per stage:

1. upon signing of the *Participation Agreement*,
2. upon completion of the foundation up to the lintel/wall, and
3. upon completion of the roof.

Stage V: Completion

In the final stage of the program cycle, the beneficiary will obtain the “Building Construction Completion Certificate”, which precedes the occupancy of the housing unit. At the completion stage, it will be vital for the RHRP to broadly launch a clear **communications message** to inform beneficiaries on how to request and obtain the Building Construction Completion Certificate.

GRIEVANCE REDRESS MECHANISM (GRM)

The housing reconstruction program offers beneficiaries the opportunity to pursue complaints with the program. This grievance mechanism system includes:

- a recording and reporting system, with the ability to file grievances both verbally and in writing,
- designated staff with responsibility at various levels of governments, and
- a specific protocol for handling grievances including the minimum time frame within which different types of grievances should be addressed.

Beneficiaries or non-beneficiaries may file grievances at one of following reporting locations depending upon convenience for the filer and on the nature of the complaint: (i) the VDC/municipality office, or (ii) the PO offices.



Photo: Ignacio Urrutia / The World Bank

MONITORING AND EVALUATION (M&E)

An effective reporting, monitoring and evaluation system will be in place to gather, standardize and measure all data streams related to reconstruction, earthquake-safer compliance and technical support activities. The information will be used for analysis, planning and course corrections. Clear mechanisms will be set in place to monitor the effectiveness and efficiency of various activities in order to rapidly improve strategies or any aspect of program implementation (for example, improving training programs over time).

The M&E system will be built upon the information collected during the Earthquake Household Damages and Characteristics (EHDC) survey as well as data generated during the program cycle.

MANAGEMENT INFORMATION SYSTEM (MIS)

The Nepal Rural Housing Reconstruction Program (RHRP) will use the Department of Civil Registration (DoCR¹/MoFALD) MIS design framework to automate the business process of RHRP. This means that the MIS for RHRP will use the same architecture and interface design framework of the existing MoFALD MIS in terms of database design structure, data flows, user interface look-and-feel, and its navigation. However, the sub-system for RHRP will be managed by DoLIDAR.

The approach will develop a 'sub-system' for RHRP in compliance with the overall MoFALD MIS platform that will help ensure data standardization, maintain uniformity and establish the potential data sharing mechanism between the RHRP sub-system and DoCR/MoFALD MIS as per the business requirements of the program.

COMMUNICATIONS STRATEGY

A communications strategy and plan are being prepared for approval by the Program Steering Committee. The communications strategy will be consistent with the following fundamental tenets of the program:

- consistency and clarity,
- beneficiary-centered,
- culturally/socially sensitive,
- timely,
- responsible,
- planned, and
- continuously adjusted, based on feedback.



¹ A department within the Ministry of Federal Affairs and Local Development

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