

**Procedures for the Flow of Grant/Assistance for Reconstruction
of Houses Completely Destroyed by the Earthquake**

2015

(Approved by the Decision of Government of Nepal (Council of Ministers) on October 9, 2015)

Government of Nepal
Ministry of Urban Development
Singh Durbar, Kathmandu.

Preamble:

As a result of the Earthquake of April 25, 2015, subsequent earthquakes and their aftershocks, more than 9,000 persons were killed and over 25,000 persons injured. In the Post Disaster Need Assessment (PDNA), it is estimated that about 490,000 houses were destroyed and property worth Rs. 700 billion damaged and the cost for reconstruction will be 667 billion.

In this context, in point 32 of the Budget Speech for Fiscal Year 2015/16 of the Government of Nepal, it is said, "I have made arrangements to provide up to Rs. 200,000 on the basis of approved procedures for those who wish to construct completely damaged houses by the earthquake on their own under the specified norms." It is, therefore, expedient to determine the procedures to be adopted in providing the said assistance for construction of houses and, thus, the Government of Nepal has adopted these Procedures and promulgated them.

1. Short Title and Commencement:

- a) These Procedures shall be called "Procedures for the Flow of Grant/Assistance for Reconstruction of Houses Completely Destroyed by the Earthquake, 2015."
- b) These Procedures shall come into force on the date when they are approved by the Council of Ministers, Government of Nepal.

2. Definitions:

- a) "Target group" means those house owners whose houses have been completely destroyed by the Earthquake of April 25, 2015, subsequent earthquakes/aftershocks.
- b) "Department" means the Department of Urban Development and Building Construction.
- c) "Division Offices" means the division offices concerned working under the Department.
- d) "Housing Unit" means those housing units which are constructed according to the approved designs.
- e) "Beneficiary" means those persons or families selected as per its Section 4.
- f) "Project Implementation Unit" means the Projection Implementation Unit (PIU) established in the Department to implement the housing programme.

- g) “District Project Implementation Unit” means the District Projection Implementation Unit (DPIU) established in the district under the division office to implement the housing programme.
- c) “Grant Assistance” means the grant assistance to be provided for reconstruction of houses completely destroyed by the Earthquake of April 25, 2015, subsequent earthquakes and their aftershocks.

3. Programme area:

Districts affected by the earthquake as prescribed by the Council of Ministers, Government of Nepal.

4. Identification of Target Groups:

Identification of target groups shall be as follows:

- (a) Owner of the house/building whose house has been completely destroyed beyond repair and retrofitting.
- (b) Person/family not having any house/building in the same place or somewhere except the house/building destroyed by the earthquake.
- (c) Photocopy of citizenship certificate, photocopy of land ownership certificate of the house owner and, if the owner has obtained public utility services such as electricity, running water or other services, copy of the documents indicating it.

5. Drawings and Designs:

- a) Division Offices or DPIUs working under division offices of the Department of Urban Development & Building Construction shall make available the designs of earthquake resistant model houses to the beneficiaries. The beneficiary shall select one of the model houses. The beneficiary may add the number of rooms as per his/her needs. However, he/she shall sign a Memorandum of Understanding (MoU) stating that he/she shall compulsorily follow the earthquake resistance technology, carry out construction works by using services of trained masons and maintain the quality standard as prescribed. However, residential houses instead of model houses may be reconstructed in accordance with these Procedures by getting drawings prepared by the engineers or architects registered with the Nepal Engineering Council.

6. Fiscal Arrangements:

Local bodies concerned, upon completion of the following procedures, shall provide the amount of grant assistance:

- a) The beneficiary shall open an account in the bank recommended by the local body in order to receive the grant assistance. If the account in a bank is already opened, the same account also may be used.
- b) Upon completion of the processes as prescribed in the Schedule 1, grant assistance shall be made available in four installments. The maximum amount of such grant assistance shall be Rs. 200,000.-
- c) While constructing the house/building according to the design of the house/building and the technology as specified in Section 5, the beneficiary shall bear himself/herself the cost exceeding the assistance amount of Rs. 200,000.- to be made available by the Government of Nepal.
- d) The total amount of up to Rs. 200,000.- to be provided by the government shall be expended for construction of the house and, if the house is constructed in such a way that it costs less than this amount, the grant assistance shall be provided as per that cost of the house.
- e) The responsibility of keeping records of the agreements and details of all expenditures as well as getting incomes and expenditures audited shall lie with the local body concerned.
- f) The grant assistance as per these Procedures shall not be provided to the beneficiary who has received grant assistance for construction of the house/building from other national or international organizations.
- g) Those households which have received the concessional loan of Rs. 2.5 million in urban areas and Rs. 1.5 million in rural areas shall not receive the grant assistance of Rs. 200,000.-
- h) Under these Procedures, such grant assistance shall be provided for reconstruction of one house/building only even if the beneficiary used to have more than one house/building.

7. To assist in providing construction materials:

The Department of Urban Development and Building Construction, Division Office and District Administration Office concerned shall provide necessary assistance and maintain coordination in order to make available necessary construction materials such as corrugated sheets, cement, hooks and hinges in adequate quantity in local markets. Necessary actions for quality assurances of such materials by the Division offices and for making arrangements in order to make them available at fair prices by the District Administration Offices shall be taken.

8. Roles of the Department and other bodies under it:

- 1) Project Implementation Unit (PIU) established in Housing Division under the Department shall carry out necessary tasks concerning these Procedures. The scope of work of the Unit shall be as follows:
 - a) Play the role as co-ordinator and facilitator between the Department and the Division Offices.
 - b) Prepare and revise model designs and provide other technical assistance as required to the division offices.
 - c) Prepare and submit monthly/four-monthly/yearly reports to the Department after monitoring and evaluating designs/drawings with recommendations for necessary revisions.
 - d) Conduct various training courses for capacity building in the centre, districts and Village Development Committees as required.
- 2) District Project Implementation Unit (DPIU) shall be established under the Division Offices and it shall carry out the following functions:
 - a) Maintain co-ordination with district level bodies as required.
 - b) Carry out periodic technical inspection visits to the construction work of houses/buildings and make recommendations for distribution of installments.
 - c) Monitor and prepare the progress reports of the programme.
 - d) Conduct various training courses for capacity building required for earthquake resistant house/building construction.

9. Planning, Co-ordination and Management:

a. Reconstruction Authority¹:

The Reconstruction Authority constituted by the Government of Nepal shall provide the programmes for reconstruction of houses and budget as well as policies and guidance required for it.

b. Central Housing Reconstruction Steering Committee:

In order to make arrangements for implementation of the programme concerning house/building reconstruction, Central Housing Reconstruction Steering Committee shall be formed at the central level as given below:

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| 1. Chief Executive Officer, Reconstruction Authority | Coordinator ² |
| 2. Joint Secretary, Building and Housing Division,
Ministry of Urban Development | Member |
| 3. Joint Secretary, Ministry of Federal Affairs and
Local Development | Member |
| 4. Joint Secretary, Ministry of Finance | Member |
| 5. Joint Secretary, National Planning Commission | Member |
| 6. Director General, Urban Development and Building
Construction Department | Member |
| 7. Project Director, Project Implementation Unit (PIU) | Member Secretary |

B. Functions, Duties and Powers of the Central Housing Reconstruction Steering Committee:

1. Functions, Duties and Powers of this Committee shall be as follows:
 - a) Formulate necessary policies for implementation of the programme.

¹ In a situation when the Bill concerning Formation of Reconstruction Authority is submitted to the House of Representatives, the tasks to be carried out by the proposed Authority shall be performed by the National Planning Commission until Authority is constituted.

² Until the Reconstruction Authority is formed, the Vice-president of the National Planning Commission shall act as the Co-ordinator.

- b) Give necessary directives in course of implementation of the programme to the ministries, departments, district level coordination committees and other bodies.
 - c) Review the progress of the programme, maintain coordination among central agencies concerned.
 - d) Establish co-ordination between beneficiaries and other agencies if required.
 - e) Remove difficulties and hurdles encountered in course of programme implementation.
2. The procedures for conducting meetings of the Central Housing Reconstruction Steering Committee shall be as per the decisions made by the Committee.
 3. The Central Housing Reconstruction Steering Committee may invite persons or national or international organizations as required in its meetings.

C. District Level Housing Reconstruction Co-ordination Committee:

A Co-ordination Committee shall be constituted in order to implement and monitor the programme at the district level:

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| a) Local Development Officer, DDC Office | Coordinator |
| b) Officer representative designated by the District Administration Office | Member |
| c) Chief, Land Revenue Office | Member |
| d) Chief, District Land Survey Office | Member |
| e) Chief, District Drinking Water Office | Member |
| f) Chief, District Forest Office | Member |
| g) Chief, Division Road Office | Member |
| h) Chief, District Soil Conservation Office | Member |
| i) Chief, District Technician Office | Member |
| j) Chief, District Project Implementation Unit | Member Secretary |
| Division Office, Urban Development and Building Construction Department | |

C.1) Functions, Duties and Powers of the District Level Housing Reconstruction Co-ordination Committee:

- 1) Functions, Duties and Powers of this Committee shall be as follows:
 - a) Implement the directives received from the Central Steering Committee.
 - b) Ensure that the beneficiaries selected by the Natural Calamity Relief Committee are included in the programme.
 - c) Maintain co-ordination for programme implementation at the district level.
 - d) Monitor progress of the programme.
 - e) Resolve problems and disputes cropped in in programme implementation.
 - f) Provide necessary assistance and guidance to the DPIU in programme implementation.
 - g) Certify whether or not the houses/buildings are built as per earthquake resistance technology as well as resolve disputes arisen in connection with distribution of the amount in installments.
- 2) The procedures for conducting meetings of this Committee shall be as per the decisions made by the Committee.
- 3) The Committee may invite persons or national or international organizations as required in its meetings.
- 4) Carry out technical inspection visits to ensure compliance of earthquake resistance technology as per the processes and drawings and designs prescribed in Schedule 1 for the financial arrangements as prescribed in Section 6.

D) VDC/Municipality Level Implementation Units:

Division offices may establish Project Implementation Resource Centres covering VDCs/municipalities as required. However, the Central Level Housing Reconstruction Steering Committee shall have to request the Government of Nepal for it at the recommendation of the District Level Housing Reconstruction Coordination Committee. The functions, duties and powers of the staff engaged in such Centres shall be as determined by the Division Offices.

E) Capacity Building Training:

Training courses for capacity building shall be conducted at central, district and local levels. Such training courses shall be conducted as per the procedures and curricula approved by the Ministry of Urban Development. If international or national organizations wish to conduct such training courses, they shall follow the same procedures and curricula of the training courses.

a) Central Level:

Training courses on “Model Designs of the Houses to be Reconstructed and Building Code” shall be conducted.

b) District Level:

Training courses on “Model Designs of the Houses to be Reconstructed and Building Code” shall be conducted at the district level for the technical staff and local consultants working in district level offices and other organizations concerned in the districts affected by the earthquake. Training courses at the local level shall be conducted for carpenters, masons and house owners as well. While selecting participants for such training courses, preference shall be given to the residents of the districts affected by the earthquake and people from the poor and deprived groups (persons with disability, Dalits and persons from indigenous and other minority communities).

10. Miscellaneous:

A) Directives may be given:

In connection with actions to be taken as per these procedures, Central Housing Reconstruction Steering Committee may give directives to the governmental bodies concerned, committees and units constituted and development partners. It shall be the duty of all concerned to abide by such directives.

B) Resolution of Disputes:

In cases of disputes arisen among the departments, other local agencies, units concerned and beneficiaries, the decision made by the Central Steering Committee shall be final.

C) Settlement:

If a beneficiary abandons the construction work without completing it for various reasons, construction work completed shall be evaluated and settlements shall be made accordingly.

D) Actions to be Taken:

If persons are found guilty of submitting fake details or making fake recommendations with the objective of getting benefits from the programme, they shall have to pay the total cost incurred and legal actions against them shall be taken as well.

E) Other agencies to assist:

Other agencies working in the areas of services and infrastructural development programmes of the Government of Nepal shall provide necessary assistance for implementation of this programme.

F) Amendments in the Procedures:

The Government of Nepal may make timely amendments in these Procedures. If such amendment shall have financial implications, prior consent by the Ministry of Finance shall be required.

G) Flow of concessional loans:

In order to ensure the guarantee of compliance of national building code and use of earthquake resistance technology, the agencies concerned shall make, on the basis of technical certification as per these Procedures, available the concessional loans through banks and financial institutions and payment of installments for houses/buildings to be constructed.

H) Flow of grant assistance by the national or international organizations:

While constructing the houses/buildings through the flow of grant assistance by national or international organizations, these Procedures shall have to be followed. The amount of the grant assistance to be made available shall be at par with the amount to be distributed by the Government of Nepal and distributed as per the processes prescribed in these Procedures.

I) In case of provisions stipulated in the Procedures are contradictory:

If the provisions stipulated in these Procedures are contradictory with the acts prevailing in Nepal, the provision of these Procedures shall be invalid to the extent of contradiction.

Schedule 1

Technical Inspection and Installment Distribution Process

S. No.	Activities	Responsible Agency	Descriptions
1	First installment distribution	Local body	The first installment of 25% to be given in such a way that it is deposited in the account of the beneficiary. This amount to be utilized for laying foundation and completing work to the plinth level.
2	Technical Inspection (1)	Local body, Division Office of Department of Urban Development & Building Construction	Supervise from the beginning THE foundation and construction work up to the plinth level, whether or not earthquake resistance technology is used in construction and quality assured and, after construction of up to the plinth level, make recommendations for second installment.
3	Second installment distribution	Local body	The second installment of 30% to be given in such a way that it is deposited in the account of the beneficiary. This amount to be utilized for construction of walls above the plinth level.
4	Technical Inspection (2)	Local body, Division Office of Department of Urban Development & Building Construction	Carry out supervision regularly to ensure whether or not the earthquake resistance technology is used in construction of walls above plinth level and fixing of door and window frames and, after completion of construction of walls, make recommendations for third installment.
5	Third installment distribution	Local body	The third installment of 35% to be given in such a way that it is deposited in the account of the beneficiary. This amount to be utilized for roofing work and some works of finishing.
6	Technical Inspection (3)	Local body, Division Office of Department of Urban Development & Building Construction	Monitor regularly to ensure whether or not the earthquake resistance technology is used in roofing and make recommendations for the final fourth installment.

7	Fourth installment distribution	Local body	The remaining fourth installment of 10% to be given in such a way that it is deposited in the account of the beneficiary. This amount to be utilized for remaining works and fixing doors and windows, finishing works, construction of toilet, rain water harvesting (solar power, biogas), safety measures from lightening.
8	Final Technical Certification	Ministry of Urban Development	Carry out inspection visit after four months in general and certify that the “Building Constructed by Using Earthquake Resistance Technology in 2015 Earthquake”

Unofficial English Translation