

Review Article

Status of Foreign Aid to Nepal's Earthquake-2015

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ABSTRACT

Nepal is victimized by different types of natural disasters, like earthquakes landslides, floods and others. On 25th April and May 12th, 2015, Nepal had 7.8 and 7.3 magnitude respectively earthquakes that struck central of Nepal. The objective of the paper focuses on status of foreign aid to Nepal's earthquake-2015. The paper presents the donor's commitment and disbursement during the earthquake -2015 in Nepal. Therefore, the study is descriptive, analytical and exploratory. The study is based on secondary data information from different sources.

The powerful tremor and aftershocks led to the loss of close to 9,000 lives, injured over 23,000 people, fully destroyed over half a million homes, displaced over 60,000 people. It resulted in total economic losses of approximately US\$ 9 billion. It has been found that altogether 34 countries physically responded to the disaster, 17 of which sent their respective military teams to assist in the immediate search and rescue phase. Bilateral aid in terms of relief items as well as financial aid was received from approximately 70 countries worldwide. There is a huge commitment and disbursement of foreign aid to earthquake's Nepal-2015. However, it has been found that the commitments are much higher than disbursement in earthquake- 2015 in Nepal. Although, after two years of the earthquakes, only about half the money pledged to Nepal by donors.

1. Introduction

The natural disasters happen almost all over the world, thereby causing heavy loss of human life, destruction of infrastructure and property. Nepal is prone to natural disasters due to the country's natural features, unplanned settlement, dense and increasing population and poor economic condition. It is a challenge to protect infrastructure and property from frequent landslides and floods. Each year floods, landslides, fire, epidemics and various other natural and man-made disasters cause casualty of thousands of human lives and destruction of physical property worth billions of rupees.

On 25th April and May 12th, 2015, Nepal had 7.8 and 7.3 magnitude respectively earthquakes that struck central of Nepal. After earthquakes and subsequent major aftershocks caused, Nepal has lost over US\$9 billion in damage and losses, according to the Post-Disaster Needs Assessment findings. The loss of infrastructure was massive with over 500,000 houses and public buildings destroyed and a further 250,000 structures damaged. The powerful tremor and aftershocks led to the loss of close to 9,000 lives, injured over 23,000 people, fully destroyed over half a million homes, displaced over 60,000 people (NPC, 2015).

The rubble and debris impeded accessibility in affected areas. Rural areas in the central and western regions were particularly devastated and further isolated due to road damage and obstructions. In the worst hit areas, entire settlements were destroyed. ([https://www.undp.org/content/dam/nepal/docs/reports/20_17_reports/RapidEarthquake Recovery in Nepal-Final Report.pdf](https://www.undp.org/content/dam/nepal/docs/reports/20_17_reports/RapidEarthquake%20Recovery%20in%20Nepal-Final%20Report.pdf)).

Natural disaster unexpected events which occurs without any signal exposing people to face it in least prepared way. These disasters are taking hundreds of lives bringing huge loss in life and properties every year (DWIDP, 2011). Nepal is one of the 20 most disaster-prone countries in the world. More people are killed by disasters in Nepal than in any other country in South Asia. As we trace back the history of earthquake in Nepal. It has brought great loss of lives, properties and infrastructures affecting the development pace of the country (NPC, 2015). Many international organizations support to Nepal during the earthquake-2015. The objective of the paper focuses on status of foreign aid to Nepal's earthquake-2015.

2. Methodology

The paper presents the gap of foreign aid on commitment and disbursement during the earthquake - 2015 in Nepal. The foreign aid includes financial support of foreign countries as well as foreign donors, UN agencies and others. Therefore, the study is descriptive, analytical and exploratory. The study is based on secondary data information from different sources.

3. Disaster Situation in Nepal

Nepal has faced the highest number of natural disasters in South Asia followed by India, Afghanistan, Bangladesh, Pakistan and others. **Table 1** shows that the main natural disaster events in Nepal are landslides and earthquakes in 2011. It may be due to naturally surround by hills and mountains so that landslides frequently occur and however, flood is also being major common natural disasters for every year in Nepal, but in thus 2011 it does not appear much. However, it happens frequently in preceding and following years in Nepal. And, the next major natural disaster is earthquake, which is also frequently occurred in Nepal.

Table 2 shows landslides and floods are major cause of the most human casualties compared to other disasters in Nepal in between 2000 and 2012. As mentioned earlier, the geographical structure of Nepal, and the untimely management and mis-management of big rivers are the main reasons for such devastating impact of floods and landslides frequently in Nepal.

4. Historical earthquakes in Nepal

The history of earthquakes dates back to 1255 A.D. and the earthquake of 1934 A.D. which was 7.7 Richter scales and 8.4 Richter scales respectively. Both devastating earthquakes in the past have caused havoc of lives, properties including damages of numerous physical infrastructures (Shakya, 2016a). Similarly, another two destructive earthquakes resulted in the landslides. For example, two moderate earthquakes were on July 29, 1980 and 21 August, 1988 hit the country in Far Western Region and Eastern Region. It causes many landslides in hilly region and a death toll of 178 people and 721 people respectively. The landslides and debris flow during 1993 was a nightmare that had taken lives of 1259 people affecting 44 districts and damaging many bridges and dams as well bringing loss of more than 47194 Million Nepalese Rupees (MoHA, 2015).

The history of earthquake has shown that Nepal has long experienced big earthquakes and a very recent, 7.8 magnitude massive earthquake that occurred on 25 April 2015. Immediately after 18 days of huge earthquake, Nepal faced big aftershock of a 7.3 magnitude on 12 May, 2015. These two earthquakes and big aftershock caused severe loss of life and property in Nepal (NPC, 2015).

5. Impact of Earthquake-2015, Nepal

Physical and social disturbances were major impact that stroked the Nepali community. Physical impacts comprise casualties (deaths, injuries, and illnesses) and damage to agriculture, cultural heritage, infrastructure, and the natural environment. Social impacts comprise psychological impacts, demographic impacts, economic impacts and political impacts.

The fully damaged households are more than partially damaged households. It can be observed that only half percentage of government houses is fully damaged and more than 99% of private houses are fully damaged. The partially damaged houses were 1.32% and 98.68% government house and private house respectively. In total of 14 affected districts, less than 1% is government houses and 99.3% is private houses are damaged, whether it is fully or partial and government or private houses. Once again, in total Nepal, 90.76% houses are fully damaged and 65.49% of houses are partially damaged occurred in 14 severely affected districts (MoHA, 2015).

Shakya (2016 a and b) have shown the condition of 14 worst affected districts: 1). Gorkha - 88 % of houses destroyed, 448 human casualties, and all 495 government schools destroyed, 2) Dhading - widespread

destruction. 85% of houses destroyed, 733 human casualties, and 587 of 608 government schools destroyed, 3) Nuwakot - has suffered extensive damage. 88% of houses destroyed, 448 human casualties, and all 495 government schools destroyed, 4) Rasuwa - 96% of houses destroyed, 652 human casualties, and all 98 schools destroyed, 5) Kathmandu - Most homes in rural villages in the district have been badly damaged. Ancient Newari town of Sankhu totally destroyed. 20% of houses destroyed, 1222 human casualties, and 250 of 299 government schools destroyed, 6) Lalitpur - Patan Durbar Square, a UNESCO World Heritage site, suffered extensive damage. 24% of houses destroyed, 177 human casualties, and 149 of 200 government schools destroyed. 7) Bhaktapur - Bhaktapur Durbar Square, another UNESCO World Heritage site, suffered extensive damage. 41% of houses destroyed, 333 human casualties, and 126 of 137 government schools destroyed., 8) Makwanpur -37% of houses destroyed, 33 human casualties, and 361 of 533 government schools destroyed, 9) Kavrepalanchowk - 91% 77of houses destroyed, 318 human casualties, and 548of 594 government schools destroyed, 10) Sindupalchowk - the worst affected district. The district has most number of deaths and injuries, 100% of houses destroyed, 3440 human casualties, and all 557 government schools destroyed, 11) Dolakha -100% of houses destroyed, 170 human casualties, and all 396 government schools destroyed, 12) Solukhumbu - 46% of houses destroyed and 20 human casualties, 13) Okhaldunga - 41% of houses destroyed, 20 human casualties, and 228of 331 government schools destroyed, and 14) Sindhuli - 50% of houses destroyed, 15 human casualties, and 451 of 557 government schools destroyed (Shakya 2016a, Shakya, 2016 b, cited from MoHA, 2015).

Table 3 shows the loss of life and property in Nepal due to earthquakes-2015 in Nepal (NPC, 2015) as mentioned earlier. The paper shows the huge damaged and loss on Nepalese economy, economical lost to repair, reconstruct and recover of the situation.

Table 4 shows that about 60 percent loss occurred in social sectors, which has included housing and human settlements, health, education and cultural heritage, because of the earthquakes-2015. NPC (2015) shows the productive sectors of Nepalese economy is second loss in earthquakes-2015, in which agricultural sector has huge damage and loss and followed by tourism, finance and other sectors. Similarly, another damage and loss sector is infrastructure and cross cutting issues. Thus due to huge damage and loss due to earthquake-2015, many foreign agencies have shown humanitarian assistance.

6. Foreign aid in Nepal

Nepal has been receiving foreign aid since Second World War after the establishing the diplomatic relationship with United States in 1947. Almost all physical infrastructures have been financed by foreign aid in that time. The First Five Year Plan (1956-61) was entirely financed by foreign aid. At the beginning, a substantial portion of development expenditure, averaging about 55% per year, has been financed through foreign aid. The average aid to GDP ratio increased from about 2 per cent in the 1960s to almost 10 per cent in the 1990s. More than 25% received foreign aid recently in total budget (MoF, 2017).

7. Responded International Organization to cooperate in Emergency in Nepal

As in humanitarian, neighbor countries and third world countries definitely assist during time of emergency. Nepal has also got responded from the international agencies to the Nepal's earthquake-2015 through, 1) Foreign Countries, 2) Non-governmental organizations, 3) International organizations, 4) The UN to meet humanitarian, and 5) others, it means besides these agencies like Non-Nepali Residence Network (NRN).

The foreign aid received in different ways, like 1) Grants, 2) Cash, and 3) Goods or Services. In addition, the loan was also provided in three modes of payment, i) Direct payment, ii) Reimbursable and, iii) Cash. Further, the technical assistance was also provided by Development Partners for the purpose of capacity development of individuals and institutions by 1) Trainings, 2) Seminars, 3) Consultancy services and the cost of associated equipment. Technical assistance can also include in the project preparation costs/pre-investment activities. Thus, the Nepal government has received different cooperation during emergency and post emergency.

Table 5 shows the different donor agencies provided foreign aid after earthquake through different project titles with their commitments. Most of donor agencies are institutes. However, India also provided foreign aid on after earthquake-2015 on social sector and transportation through different project title. **Table 5** shows the actual commitment of donor agencies, whether they have provided or not. Therefore, the paper focus on the how

Table 1. Number of natural disaster events in South Asia in 2011.

Natural Disasters	Afghanistan	Bangladesh	Bhutan	India	Maldives	Nepal	Pakistan	Sri Lanka	Total
Drought	1	0	0	0	0	0	0	0	1
Earthquake	34	0	1	27	1	45	13	0	121
Epidemic	0	0	0	0	1	0	0	1	2
Extreme Temperature	0	2	0	2	0	2	0	0	6
Flood	2	1	0	7	0	2	1	3	16
Avalanche	2	0	0	0	0	3	3	0	8
Landslide	3	25	1	32	0	63	7	0	131
Storm	1	1	0	3	0	0	0	1	6
Total	43	29	2	71	2	115	24	5	291

Source: EM-DAT and data compiled by SDMC from other sources, as found in 2011 Disaster Report by SAARC.

Table 2. Human casualties due to major disasters in Nepal, 2000-2012.

Year	Flood & Landslide	Fire	Epidemic	Thunderbolt	Earthquake	Avalanche
2000	173	37	141	26	0	0
2001	196	26	154	38	1	0
2002	441	11	0	6	0	0
2003	232	16	0	62	0	0
2004	131	10	41	10	0	0
2005	141	28	34	18	0	21
2006	114	3	0	15	0	0
2007	216	9	3	40	0	6
2008	134	11	0	16	0	0
2009	135	35	10	7	0	2
2010	240	69	462	70	0	0
2011	263	46	36	95	0	0
2012	123	77	9	119	6	9
Total	2539	378	890	522	1	38

Source: MoHA, (2015).

Table 3. Physical Losses due to Gorkha Earthquakes, Nepal, 2015.

Particulars	Number/Cases
Person Dead	8,896
Missing	198
Injured	22,302
Affected Families	8,86,456
Displaced Families	6,49,815
Houses Damaged (Fully)	6,04,930
Houses Damaged (Partially)	2,88,856
Total Material Loss	NPRs. 706 billion (US\$ 7 billion)

Source: NPC (2015). Post-Disaster Need Assessment, Report the Government of Nepal

much amount Nepal has received as per their commitment after earthquake in below.

Table 6 shows a detail of commitment and disbursement including the deviation of donor agencies including institutes and countries and it shows a clear picture of received amount from donors after earthquake-2015. India was the first committed country for large scale of amount, however, there was not received yet as shown as found in Table 6. Japan had sent the largest amount ie. 4.9 billion, which is the highest amount received than others (UNDP, 2016). However, it is still lower than as committed. There is no any single country,

which has provided same amount as announced and committed for foreign aid.

8. Deviation in Commitment and Disbursement in Foreign Aid

After the 2015 earthquakes, Nepal government had organized 'International Conference on Nepal's Reconstruction -2015' to raise foreign aid for post-earthquake recovery. At the conference, Nepal's development partners pledged financial assistance amounting to US\$ 4109.52 million. According to the MoF (2017), following are the pledged, committed and

Table 4. Socio-Economic Loss Incurred from Earthquake, 2015.

Sectors	Damages	Losses	Total	Percent
Social Sectors	355,028	53,597	408,625	57.80
Housing and human settlements	303,632	46,908	350,540	
Health	6,422	1,122	7,544	
Education	28,064	3,254	31,318	
Cultural Heritage	16,910	2,313	19,223	
Productive Sectors	58,074	120,046	178,121	25.20
Agriculture	16,405	11,962	383	
Irrigation	383	-	16953	
Commerce	9,015	7,938	19,271	
Industry	8,394	10,877	81,242	
Tourism	18,863	62,379	81,242	
Finance	5,015	26,890	31,905	
Infrastructure Sectors	52,460	14323	66,783	9.50
Electricity	17,807	3435	21242	
Communications	3610	5085	8695	
Community Infrastructure	3349	-	3349	
Transport	17188	4930	22118	
Water and Sanitation	10506	873	11379	
Cross-cutting Issues	51,872	1,061	52,933	7.50
Governance	18,757	-	18,575	
Disaster Risk Reduction	155	-	155	
Environment and Forestry	32,960	1,061	34,021	
Total	517,434	189,027	706,461	100.00

Source: NPC (2015). PDNA

Table 5: Foreign Aid after Earthquake for Emergency in Nepal, 2015

Donor Agency	Primary Sector	Project Title	Actual Commitments (US\$)
India	Others-Social	Assistance Package for Post Earthquake Reconstruction in Nepal	250,000,000
International Development Association	Local Development	Emergency Housing Reconstruction Project	220,362,810
Asian Development Bank	Education, Development, Transportation, Development	Local Road Urban Earthquake Emergency Assistance Project	219,309,234
International Development Association	Alternate Energy	Grid Solar Energy Efficiency Project	130,000,000
European Investment Bank, Norway	Energy	South Asia Sub Regional Economic Cooperation Power System Expansion Project (SASEC)	120,000,000
Department for International Development	Home Affairs	UK,s Humanitarian Response to the Nepal Earthquake, 2015	109,994,354
India	Road Transportation	Strengthening the Road Infrastructure in the Terai Area of Nepal	73,027,385
US Agency for International development	Health	Suaahara II	63,254,184
Department for International Development	Local Development	Rural Access Programme Phase III	54,611,781
Oxfam GB LBG	Others-Social	Nepal Earthquake Emergency Response Program	37,116,164

Source: MoF, 2016. Economic Survey-2016.

Table 6. Announcement and Commitments of Big Donors in Earthquake, Nepal, 2015.

Country	Announced	Committed	Received
India	140.00 billion	100.00 billion	0.0
China	76.69 billion	76.69 billion	1 billion
ADB	60.00 billion	21.00 billion	2.58 billion
Japan	26.00 billion	24.70 billion	4.9 billion
US	13.00 billion	15.97 billion	1.43 million
European Union	11.74 billion	11.18 billion	3.28 billion
UK	11.00 billion	16.55 billion	990 million
IMF	5.00 billion	5.00 billion	3.70 billion
Germany	3.35 billion	3.40 billion	0.00

<http://archive.nepalitimes.com/blogs/thebrief/2017/12/26/pledges-unkept>

Table 7. Pledged, committed and disbursed amounts by various development partners in Earthquake -2015, Nepal

Development Partners	Pledge (made during ICNR 2015)	Commitment Made up to 20 February, 2017	Pledging Vs Commitment percentage	Disbursement in FY 2015-2016	Disbursement in FY 2016-2017	Total Disbursement	Commitment Vs Disbursement Percentage
ADB	600	215	36.0	18.43	14.98	33.41	16.0
Australia	4.64	–	0.0	4.77	0.00	4.77	N/A
Austria	1.20	–	0.0	–	–	–	–
Bangladesh	0.50	–	0.0	–	–	–	–
Canada	10.50	–	0.0	–	–	–	–
China	766.93	766.93	100.0	10.67	–	10.67	1.0
EU	117.48	118.37	101.0	6.68	57.95	64.63	55.0
Finland	2.24	1.12	50.0	–	0.42	0.42	37.0
Germany	33.57	34	101.0	–	3.97	3.97	12.0
IMF	50	50	100.0	–	–	–	–
India	1400	1000	71.0	–	–	–	–
Japan	260	247.07	95.0	10.35	55.77	66.12	27.0
The Netherlands	26	–	0.0	–	–	–	–
Norway	15.97	–	0.0	2.18	1.81	3.99	N/A
Pakistan	1	–	0.0	–	–	–	–
Republic of Korea	10	8.40	84.0	5.70	1.51	7.21	86.0
Saudi Fund	30	–	0.0	–	–	–	–
Srilanka	2.50	–	0.0	–	–	–	–
Sweden	10	–	0.0	–	–	–	–
Switzerland	25	–	0.0	7.72	2.61	10.33	N/A
Turkey	2	–	0.0	–	–	–	–
UK(DFID)	110	165.50	150.0	9.96	25.23	35.18	21.0
USA	130	159.82	123.0	14.38	23.66	38.04	24.0
World Bank	500	300.00	60.0	63.61	137.48	201.09	67.0
Grand Total	4109.52	3066.21	75.0	154.43	325.39	479.83	16.0

In millions of US dollars MoF (2017). Development Cooperation Report, 2016/2017

disbursed amounts by various development partners. If the figure is not available in any of these formats, please supply the original photographs for reproduction, printed on glossy paper, very sharp and with good contrast (not a photocopy) of the figure for us to scan.

The government of India disbursed the first tranche of pledged economic support amounting Rs 2.143 billion in August 2018. MoF (2017) said that China, India, Asian Development Bank, and World Bank are the largest contributors in terms of the amount pledged for post-earthquake reconstruction. According to the report, out of the total committed amount only 16 percent amounts have been disbursed.

In fact, 34 countries physically responded to the disaster, 17 of which sent their respective military teams to assist in the immediate search and rescue phase. Bilateral aid in terms of relief items as well as financial aid was received from approximately 70 countries worldwide. It shows that the commitments are much higher than disbursement in earthquake also. Although, after two years of the earthquake, it has been found that only about half the money pledged to Nepal by donors (MoF, 2017).

The pledging, commitments and disbursement for post-earthquake reconstruction also shown that US\$ 4.1 billion pledged, about 75% has been committed through agreements with GoN. Ten development partners have translated more than 50% of their pledged amounts into commitments. The disbursement (against commitments) in FY 2017-18 was US\$ 352 million, slightly more than the US\$ 325 million made in FY 2016-17. It has been found that the total disbursement (past three fiscal years) against commitment is 23%.

Thus, the only 6.5% of the total amount for the earthquake-2015 relief aid promised during an international pledging conference in Kathmandu in July 2015 has been received. it seems that there is broken promises in practices.

9. Broken Promises and Practices of Donors

Two years after the earthquake only about half the money pledged to Nepal by donors has actually been received. Donors pledged a total of Rs.410 billion (\$4 billion) of which the government has only received Rs 26 billion for Nepal's reconstruction at a conference in Kathmandu in June 2015, exactly two months after the earthquake. But the net pledge, excluding commitments for non-reconstruction work, was just \$3.43 billion. Two years later, Nepal has received only \$2.73 billion. Moreover, much of that has been spent by donors to fund their own projects, and hasn't gone to the government



Fig. 1. Foreign aid in Earthquake-2015: Commitment and Facts.

(Fig. 1). Some donors have not sent a single dollar of the amount they pledged, yet some of them are blaming the government for slow response (<http://archive.nepalitimes.com/blogs/thebrief/2017/12/26/pledges-unkept>).

10. Conclusions

Ineffective international aid is one reason after to fail to recover after earthquake, even after two years. Nepal Planning Commission estimated that the country needed more than US\$7 billion for recovery. The billions of dollars committed by international donors was not translated into a clear plan to direct the money, which mean it has had little impact in rebuilding. Nepal still lacks effective and enforceable mechanisms to monitor the use of humanitarian support. Having the money is not enough; it must reach the projects that truly help people. Although over two and a half years have elapsed since the government announced concessional loans to earthquake victims, only a few of these people have secured the loan, with a large number of victims still waiting for the subsidies. There is question on, what has gone wrong? Delayed and denied loan are being main obstacles in to support victims from earthquake-2015, Nepal. The only promises of other did not work, the government of the country has committed and emergency funds have to activated. The billions of dollars committed by international donors was not translated into a clear plan to direct the money, which mean it has had little impact in rebuilding. Nepal still lacks effective and enforceable mechanisms to monitor the use of humanitarian support. Having the money is not enough; it must reach the projects that truly help people.

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