

# WESTERN NEPAL EARTHQUAKE

Rapid Market Assessment Report #1

11.15.2023





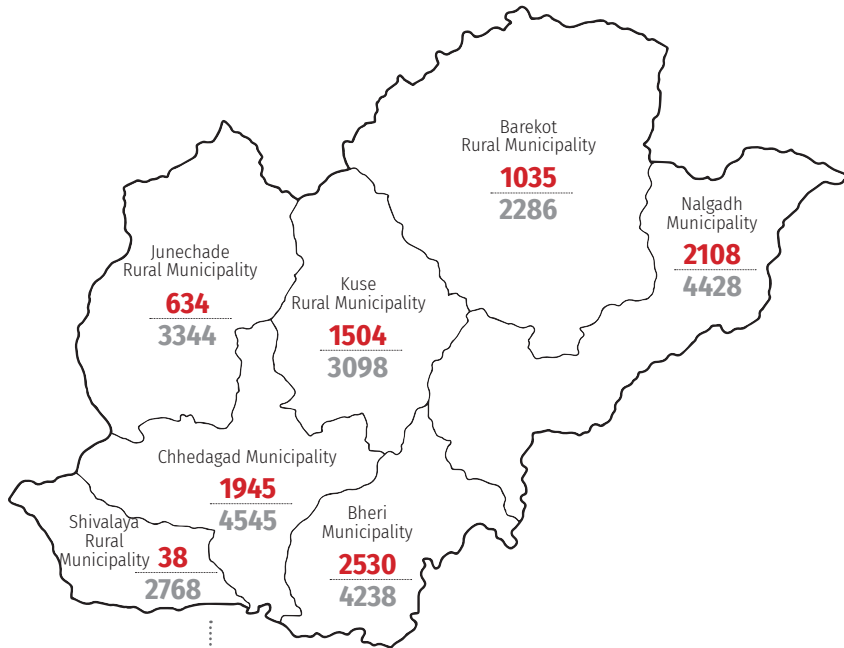
**T**his situation report is produced jointly by the Mercy Corps and Aria Technologies through a field deployment within 72 hours from the earthquake in Jajarkot. The information in the report is collected through primary and secondary information. The primary information was collected through Key Informant interview and focus group discussion. The secondary information was collected from the media coverage and various situation reports produced by agencies including the UN Resident's Coordinator Office (UNRCO) and the National Disaster Risk Reduction Management Authority (NDRRMA).



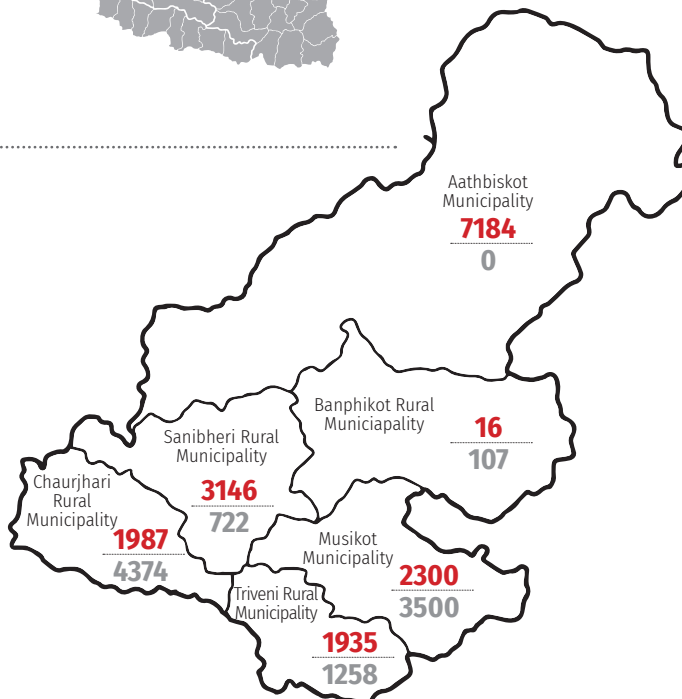
## **Situation Overview**

The aftermath of the 6.4 magnitude earthquake on November 3, 2023, accompanied by more than 466 aftershocks, has caused substantial loss of life and property. The toll stands at 154 casualties, including 70 males and 84 females, with an additional 364 individuals injured. Initial estimates by the government and the Nepal Humanitarian Country Team (HCT) suggest that around 1.3 million people were directly affected by the earthquake, with 250,000 urgently requiring assistance.

## Households Damaged JAJARKOT



## Households Damaged WEST RUKUM



Fully Household Damage

Partially Household damage



Housing bore a severe impact, with NEOC data suggesting 26,364 houses in Rukum West (Paschim) and Jajarkot completely destroyed, while 34,668 suffered partial damage. This widespread destruction led to the temporary displacement of roughly 150,000 people. Moreover, the earthquake significantly disrupted the education system, affecting 415 schools and institutions, notably in Jajarkot, where 328 out of 423 schools were damaged. This situation has notably affected the mental well-being of those impacted, leading to widespread experiences of trauma, fear, and anxiety.

Livelihoods have suffered significant disruption, leading to substantial losses in livestock and poultry caused by infrastructure collapses. With the displaced population currently seeking shelter in wheat fields, an expected decrease in the wheat harvest may bring about food shortages in the upcoming months. Urgent requirements include secure shelter, access to clean drinking

water, and the removal of debris. While some houses are standing, they are unfit for habitation, emphasizing the crucial necessity for immediate efforts to clear debris and properly dispose of livestock carcasses.

Social unrest and tensions are potential concerns due to dissatisfaction with the response and humanitarian assistance. The affected population faces immense hardships due to inadequate shelter, water scarcity, and essential supplies, exacerbated by the impending harsh winter. Vulnerabilities increase for children, seniors, marginalized women, pregnant/lactating women, the elderly, and persons with disabilities including earthquake-induced disabilities. Multiplying challenges in food, nutrition, healthcare, and rising malnutrition among children compounded the crisis.

While local, provincial, and federal governments swiftly collaborated on response efforts, the engagement of





humanitarian agencies remains crucial for preserving lives, easing suffering, maintaining dignity, and fostering resilient recovery. The District Disaster Management Committee (DDMC) secretariat oversees relief distribution with a one-door policy. Political leaders are actively gathering relief materials from diverse sources. Agencies must register relief items with the DDMC secretariat for approval before distribution, aligning with the priorities of local government.

The joint meeting of the Early Recovery Cluster and Community Based Disaster Management (CBDRM) Platform, chaired by the Ministry of Federal Affairs and General Administration (MoFAGA) on 6th November, provided approval for the use of Cash to cover food needs of affected households for a month. The meeting suggested coordinating this initiative with the District Disaster Management Committee (DDMC) and distributing it under the leadership of the respective Local Disaster Management Committees (LDMC).

The DDMC needs an effective humanitarian logistics management capacity. Persistent logistical inefficiencies arise as relief materials are mandated to reach the DDMC secretariat before being deployed, impeding distribution to remote regions. Although the joint relief distribution sought to reach each impacted household, a pressing sense of urgency conflicted with the practical situation on the ground. Difficulties in reaching affected households and coordinating resources have slowed down relief operations. Despite joint distribution efforts striving to reach all households, insufficient supplies remain a challenge for ward chairpersons.

Humanitarian standards in distribution were not consistently followed, and a methodical approach to providing humanitarian assistance was absent. Initial responders appeared to prioritize gaining media attention over adhering to established standards, indicating a lack of systematic assistance. Prolonging this approach could potentially harm the local economy, leading to a rise in unemployment.







## Objective and Methodology

Between November 9th and 10th, 2023, representatives from Mercy Corps and Aria Technologies conducted a field assessment in Bheri and Nalgad Municipality within Jajarkot Districts. Their primary aim was to evaluate the community and market conditions to identify suitable relief assistance methods and distribution approaches. The assessment methodology is detailed in the table below. Additionally, during discussions with Mr. Dambar Bahadur Raut, the Mayor of Nalgad Municipality, the team was joined by Mr. Gangalal Tuladhar, a former Minister and Expert member of the National Disaster Risk Reduction and Management Council, along with a team from the UNDP Super project.

| Field visit team                         | Key Informant Interviews (KII)  | Field Observation   | Focus group Discussion   | Market Information  |
|--|---|---|--|---|
| Santosh Pandey<br>(Mercy Corps nepal)    | Rana Bahadur Karki,<br>HRDC   | Bheri Municipality<br>Distribution Site                   | Earthquake affected<br>people (4 men, 5<br>women) of Kalpat<br>Village, Nalgad<br>Municipality, Ward 1 | Jajarkot Khalanga,<br>Jajarkot  |
| Bibhu Raj Acharya<br>(Mercy Corps Nepal) | Raju Kumar K.C., HRDC<br><br>Harish Chandra Sharma,<br>Administrative Officer | Bheri Municipality Ward<br>4 earthquake affected<br>areas |  | Aathbiskot, West<br>Rukum   |
| Bibhor Kayastha<br>(Aria Technologies)   | Dambar Bahadur Raut,<br>Mayor, Nalgad<br>Municipality                         | Kalpat Village, Nalgad<br>Municipality Ward 1             |  | Chhinchu, Surkhet<br><br>Birendranagar, Surkhet<br><br>Nepalgunj, Banke |



## Major Findings on the Market

The operational local markets like Khalanga, Kalimati, and Dalli face declining sales due to affected populations receiving relief items from government and humanitarian agencies procuring elsewhere. Notably, substantial in-kind support has poured into districts, including India's third tranche delivered to Nepalgunj Airport, comprising 12 tons of essential supplies like blankets, sleeping bags, and tents. Similarly, on November 8, China transported \$2 million worth of relief supplies weighing 50 tons via two Y-20 aircraft to Pokhara International Airport. These additions supplement China's prior ground transport delivery of 2,300 tents, 2,000 blankets, 700 tarpaulins, and 500 sprayers through the Rasuwa dry port, along with India's relief supplies on November 5. Among others, the EU has also provided €2 million in humanitarian aid to support people affected by the earthquake. They have announced the EU will mobilize €1.2 million for in-kind assistance, €200,000 for Disaster Response Emergency Fund (DREF) and €600,000 for humanitarian partners to support the humanitarian assistance.

Consequently, effective humanitarian logistics management by the DDMC is crucial to handle this influx of in-kind assistance. Due to decreased local market demand, vendors reported price drops for commodities sourced primarily from Nepalgunj, with significant markets also in Birendranagar and Chhinchu. Laborers

are available sufficiently, and their wage rates remain unchanged. There is minimal interaction between the market and affected populations awaiting in-kind support, suggesting a need to delay cash assistance until these aids integrate into systems. However, efforts for food support, transitional shelters, and winterization items can proceed using a humanitarian market approach involving local vendors. This approach, successfully implemented through electronic vouchers by the BHAKARI Program led by Mercy Corps along the Karnali River Basin, supported by USAID's BHA.

Immediate cash-for-work initiatives for debris clearance, livestock carcass management and infrastructure restoration, including water supply systems, can avoid further straining the local economy. Implementing a strong policy to restore the local market and economy, thereby creating job opportunities for affected households, is imperative. Internet connectivity and mobile phones can facilitate the deployment of digital cash and voucher modalities. 4G networks are available in most of the areas. People reported having at least one mobile device per household with 50% carrying smartphones. Additionally, streamlining the record-keeping systems through harmonized humanitarian standards and approaches, digital systems could substantially improve the DDMC's operations.



## Recommendation

While the CVA approach remains viable, the primary objective is to strengthen connections between the regional and local markets by adopting a tried and tested e-commerce strategy, akin to the successful model employed by Mercy Corps. This strategy has consistently demonstrated effectiveness in implementing the CVA approach, even under the most demanding circumstances. Acknowledging that the earthquake's repercussions extend beyond households, impacting local markets and participants, this approach assumes a crucial role in revitalizing market systems and fostering local economic recovery through CVA methodologies. The digital CVA, drawing from prior successful initiatives, aims to enhance transparency and facilitate real-time monitoring, enabling swift interventions as required. This shift to digital processes also pledges enhanced operational efficiency, leading to significant cost reductions of approximately 30% to 40% compared to traditional in-kind and manual distribution methods.

Humanitarian agencies are required to strictly observe Shelter standards and winterization guidelines set by the Shelter cluster and Ministry of Urban Development. The Core Humanitarian Standard (CHS) will act as the guiding framework throughout the entire assistance project cycle. The integration of SPHERE and CHS standards will notably elevate the response quality. It is crucial that community consultation and feedback mechanisms are deployed for effective response. Ensuring compliance with the Minimum Expenditure Basket (MEB) and Food Basket set by the Cash Coordination Group (CCG) is fundamental. When conducting food item distributions, strict adherence to standards outlined by the food security cluster, ensuring a minimum of 2,100KCAL per person per day.

These recommendations on the CVA modalities stem from Mercy Corps' existing experience in deploying digital CVA in various locations across the country, including five districts in the Karnali Province—Surkhet, Dailekh, Kalkot, Jumla, and Mugu—which share similar topography and geography to Jajarkot and Rukum.



**CVA for Shelter Assistance:** The most vulnerable displaced households with fully damaged homes may receive QR based digital commodity voucher assistance for shelter packages. This voucher can be redeemed for transitional shelter materials that will be made available through local vendors on a package basis based on the needs and suitability. These materials are not intended as a full shelter reconstruction kit, but rather to meet the immediate habitation needs during the transition period.

**CVA for Minimum Expenditure Basket (MEB):** Electronic value vouchers aligned with the MEB can be implemented through an e-commerce approach. Recipients can redeem these vouchers by placing orders through mobile applications by the Community Mobilisers. Of the total value, 40% can be allocated to essential food items like rice, flour, lentils, grains, oil, salt, sugar, and similar necessities, while the remaining 60% towards winterization items such as warm clothing, and blankets.

**CVA for Supplemental Nutritional Package:** Within the MEB value voucher recipients, households consisting of pregnant and lactating women and children under 5 years old could receive additional nutritional food packages through a commodity voucher system, catering to their specific nutritional requirements.

**Cash-for-Work:** The response plan may include a cash-for-work program focusing on cleaning of debris, constructing, rehabilitating, and restoring community assets like trails and swiftly repairing damaged water supply structures, including drinking and productive water sources affected by the earthquake. Necessary construction materials, tools, equipment, and labor insurance would be provided. The management of cash-for-work milestones and attendance can be handled through digital systems and payments through bank transfers, agent networks, or cash in envelopes, based on feasibility.



## Rate of Commodities in NPR.

| Commodities                        | Units    | Nepalgunj | Chhinchu, Surkhet | Jajarkot, Khalanga | Aathbiskot, Rukum |
|------------------------------------|----------|-----------|-------------------|--------------------|-------------------|
| <b>A. Cereal food items</b>        |          |           |                   |                    |                   |
| Rice Coarse                        | Kg       | 55        | 58                | 60                 | 66                |
| Rice (Sona Mansuli)                | Kg       | 85        | 90                | 90                 | 95                |
| Wheat Flour (atta)                 | Kg       | 50        | 52                | 52                 | 55                |
| <b>B. Pulses and legumes</b>       |          |           |                   |                    |                   |
| Peas                               | Kg       | 140       | 145               | 170                | 150               |
| Chickpea                           | Kg       | 130       | 140               | 180                | 135               |
| Lentil Broken                      | Kg       | 140       | 150               | 150                | 170               |
| <b>C. Edible oils and salt</b>     |          |           |                   |                    |                   |
| Soybean Oil                        | Ltr      | 200       | 205               | 180                | 215               |
| Mustard Oil                        | Ltr      | 235       | 240               | 195                | 250               |
| Iodized salt                       | Kg       | 22        | 25                | 12*                | 25                |
| <b>D. Meat, fish, egg and milk</b> |          |           |                   |                    |                   |
| Chicken meat                       | Kg       | 400       | 460               | 550                | 500               |
| Fish                               | Kg       | 380       | 450               | 800                | 800               |
| Egg                                | Dozen    | 175       | 180               | 180                | 180               |
| Milk                               | Ltr      | 100       | 95                | 100                | 75                |
| <b>E. Non-food essential items</b> |          |           |                   |                    |                   |
| Bathing soap (100 gm)              | Piece    | 45        | 50                | 50                 | 50                |
| Washing soap (100gm)               | Piece    | 35        | 40                | 50                 | 40                |
| Kerosene oil                       | Ltr      | 181       | 195               | NA**               | 230               |
| LP Gas                             | Cylinder | 4,200     | 4,350             | 4,700              | 4,500             |
| Toothpaste                         | 100gm    | 70-100    | 130               | 30-170             | 75                |
| Toothbrush                         | Piece    | 40        | 40                | 30                 | 50                |
| Unskilled labor                    | Daily    | 700       | 750               | 1,000              | 800               |
| Skilled labor                      | Daily    | 1,000     | 1,100             | 1,200              | 1,100             |
| Tarpaulin (20 sqm)                 | Pc       | 1,900     | 2,200             | NA**               | 2,000             |
| Blanket (5' x 7')                  | Pc       | 3,000     | 3,200             | 3,500              | 4,500             |
| CGI sheet (26 gauge of 6')         | Bundle   | 11,500    | 15,000            | NA **              | 20,000            |
| Pfoam (12 mm thickness)            | Meter    | 190       | 200               | 250                | 225               |
| Sanitary pad (Packet of 6 pcs. )   | Packet   | 95        | 95                | 80                 | 120               |

\* Subsidized

\*\* Not Available

## Way forward

Different humanitarian agencies have already joined hands to conduct joint Rapid Market Assessments (RAM) led by the CCG, as an integral strategy to determine the needs, availability of core goods and service and a best suitable relief assistance modality for the affected communities. A delineation of Palika-wise coverage has been taken by each agency to map the affected communities with their nearest markets and evaluate the accessibility and capacity of the reference markets to serve the affected communities in their respective Palika.

Emphasis should be placed on strengthening the supply chain linking regional markets with local by adopting a proven e-commerce strategy such as Laligurans application that the Mercy Corps previously implemented in remote regions of the Karnali province developed by Aria Technologies.

Humanitarian agencies, in alignment with the Cash Coordination Group (CCG), have reached consensus on employing a market mapping information system. This system will manage community data along

with market details, including pricing and capacity information, facilitating informed decision-making processes.

This involves mapping affected communities and their proximate markets, examining the broader regional markets that contribute to local supplies, and compiling important details about local vendors. Additionally, it entails capturing real-time data on the prices of essential commodities, providing valuable insights into the economic implications of the crisis.

Furthermore, the assessment includes an evaluation of the accessibility and capacities of markets for serving the affected communities, ensuring a comprehensive understanding of the challenges and opportunities for the provision of essential goods and services. This not only enables efficient response efforts but also enhances the overall resilience and recovery of affected regions in the long run.

The overall assessments so far have indicated the feasibility to carry out digital Cash and Voucher Assistance (CVA) as a relief approach in the affected commodities.





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