

# Nepal GOVERNANCE

EP: 205 27/APR /2026

## Riverbank Evictions in Kathmandu Highlight Nepal's Longstanding Squatter and Landlessness Crisis

WEEKLY

The District Administration Office of Kathmandu, following the instruction of PM Balendra Shah, carried out the first phase of [eviction](#) of “landless squatters” living near the riverbanks in areas including Thapathali, Balkhu, Sinamangal, and Manohara. The first phase of the operation, carried out on April 25–26, displaced hundreds of families, reigniting a decade-old debate over landlessness, urban governance, and human rights in Nepal.

The authorities report that 529 displaced families have so far come into contact with the government for verification and resettlement support. Out of which, 32 families (146 people) have been placed in an ashram in Kirtipur, and 497 families are temporarily housed in hotels across Kathmandu. During the operation, 300 structures were demolished in Bhaktapur alone, supported by large-scale security deployment and bulldozers. About 4,000 security personnel were deployed to execute the operation. As per officials, 186 families are undergoing screening for permanent resettlement. 3,496 informal households have been identified in the Kathmandu Valley. However, it has not yet been confirmed whether these families own land elsewhere in the country. The details have been handed over to the Ministry of Land Management for further verification and screening.

Critics argue that the eviction process has been fragmented, with unclear communication, disrupted family arrangements, and limited clarity on relocation pathways. While the verification continues, the government is yet to make a final decision regarding their long-term resettlement. It is also reported the victims will be relocated to the residence built in Nagarjun within two weeks. Human rights organizations have raised concerns, calling the rapid eviction drive a possible disregard for domestic and international obligations.

The current eviction effort is not an isolated incident. They are rooted in Nepal's long-standing and unresolved land question. Over the years, repeated attempts to [address](#) the squatter settlements have fallen short, with more than 22 commissions formed and dissolved without a lasting solution. Earlier data suggest around 450,000 families meet the strict legal definition of “landless squatters,” while an additional 1.2 million families are categorized as “unorganized settlers” living without formal land ownership, though some may own land elsewhere. Broader assessments indicate that as many as 2.1 million people live in some form of land insecurity, with advocacy groups estimating even higher figures.

The issue of squatters reflects deep-rooted systemic divisions within Nepali society. Marginalized communities constitute the majority of the landless population. Over 36.7 percent of hill Dalits and 41.4 percent of Madhesi Dalits are landless, with nearly 75 percent of Dalits considered functionally landless when marginal holdings are included. Similarly, historical groups such as Kamaiyas, Haliyas, Haruwas, and Charuwas continue to face structural exclusion rooted in feudal land relations and unequal inheritance systems.

The Constitution of Nepal guarantees the right to live with dignity and obliges the state to ensure social justice and rehabilitation for economically vulnerable groups. However, the implementation has remained weak. The Land Act 1964 and Land Rules 2020 also provide for land entitlement and even apartment-based housing for urban landless populations, yet operational gaps persist. As evictions continue, the situation highlights a deeper structural failure: Nepal's persistent inability to address land insecurity despite constitutional guarantees, repeated commissions, and existing legal frameworks. At the same time, the reality on the ground is complex. While some residents in these settlements may not be landless and could be occupying public land under informal or opportunistic arrangements, [many others are genuinely landless](#) and highly vulnerable. For these households, the lack of secure housing and livelihood options has made them the most affected by government's recent actions. This certainly calls for a differentiated and humane policy response from the government.

### Governance Issues of the Week

- Health Insurance Board Faces Crisis Without Leadership:** Nepal's Health Insurance Board is facing a serious leadership and financial crisis. Following the transfer of acting Executive Director Dr. Krishna Paudel by Health Minister Nisha Mehta, the board currently lacks clear leadership, creating operational confusion. Unpaid claims have exceeded NPR 16 billion, delaying hospital payments and disrupting services. Although around 9.8 million people are enrolled, only about 60 percent remain active. With insufficient premium income and government support, urgent reforms are needed to prevent program collapse. [Read more](#).
- Nepal's Garment Industry Faces Post-LDC Challenge:** As Nepal graduates from Least Developed Country status in November 2026, the garment industry faces growing uncertainty. Current duty and quota-free market access will end, potentially raising prices and reducing exports by 4 percent. The “Rule of Origin” poses another challenge, as Nepal must produce garments domestically from yarn to finished products to retain some benefits. But Nepal imports 66.7 percent of raw materials. Experts warn over 125,000 jobs, mostly held by women, could be at risk. [Read more](#).
- Land Services to Expand at Local Level:** The Ministry of Land Management, Cooperatives, and Poverty Alleviation has launched a plan to decentralize land administration services to local governments. Interested local bodies have been asked to submit proposals until 23 April, with a commitment to manage required infrastructure and staffing on their own. The move will bring Land Revenue and Survey Office services closer to citizens, improve service efficiency, and support the effective implementation of Nepal's federal governance system. [Read more](#).
- Haliya Communities Still Await Justice:** Eighteen years after Nepal abolished the Haliya system, many affected families continue to face bonded labor, debt, and landlessness, especially in Achham and Bajhang. Thousands remain unrecorded and excluded from identity cards and rehabilitation support. Despite constitutional guarantees against forced labor, implementation has been weak. With political commitments largely unmet, urgent action is needed to identify unlisted Haliya families, cancel debts, and ensure social justice. [Read more](#).
- Service at Siraha Municipality affected:** Regular services at Siraha Municipality have been affected due to reported mistreatment of employees and growing disputes with local representatives. Following the alleged physical assault of municipal staff by the mayor in Chaitra 2082, continued threats, pressure, and harassment of government employees have been reported. The absence of the chief administrative officer and an insecure working environment have disrupted administrative and financial operations. The matter has been formally reported to relevant federal and district authorities. [Read more](#).

Nepal Governance Weekly is an analytical update of Nepal's current affairs based on media and real sources mining, to sensitize the communities on hot news on various Political economic governance and policy issues from the perspective of accountability.

Presented By



with the technical support from  Open Co Hub

Join us online

[www.nepal.accountabilitylab.org](http://www.nepal.accountabilitylab.org)



Copyright © 2021 Accountability Lab Nepal, All rights reserved.

Our return e-mailing address is:  
[nepal@accountabilitylab.org](mailto:nepal@accountabilitylab.org)