

Nepal GOVERNANCE WEEKLY

Image: Ratopati

Landless squatter's crisis: Government's push for evacuation not matched by rehabilitation

The government's campaign on evacuating the squatter settlements that began in April 2026 continues to suffer several systemic challenges in resettlements. Reported cases of gross human rights violation particularly involving food, land, housing, and security have contrasted with the government's earlier confidence of creating a 'safe haven' for the affected settlers. So far, at least [nine settlers](#) have died following the evacuation of [27 settlements](#) across the Kathmandu Valley. Meanwhile, the government hasn't yet found an effective rehabilitation plan for the recorded [2,608 affected families](#).

The concerns are on both the lack of proper notice and arrangements beforehand and relocation efforts following the evacuation. The government first announced the eviction notice on April 23, covering informal settlements across Thapathali, Gaigaun, Manohara, and Sankhamul. A large-scale demolition drive across Kathmandu began on [April 25](#), where massive security personnel were mobilised. Immediately after the evacuation, temporary accommodation and registration of displaced families was provided at Dasharath Stadium. Later, the government announced a three-step plan to temporarily shelter, register and verify genuinely affected families before relocating them to government accommodation in Nagarjun.

The demolition drive had initially caused roughly [16,843 people](#) to be displaced from 27 settlements in the Kathmandu valley. According to a spokesperson for the Ministry of Urban Development, [2,608 families](#) in the region are registered as genuinely affected families. [70%](#) of which have been verified by the government as landless. Recently, NRs. 25,000 has been provided to affected families as aid to search for accommodation followed by NRs. 15,000 per month where families with more than five members would receive an additional NRs. 2,000 per additional member for a period of three months which lasted till mid-August. However, the time provided was insufficient for many, as the abrupt relocation left little time to transfer belongings to families or arrange for their children to continue attending school.

In May, [writ petition](#) was filed at the Supreme Court challenging the evictions over alleged violations of housing rights, inadequate rehabilitation and incomplete verification. While legal representation from the government argued care and long-term arrangements were underway, petitioners and the National Human Rights Commission (NHRC) questioned their adequacy. The court subsequently ordered a halt to forced evictions and directed authorities to provide basic services to displaced residents; but the evictions were already largely complete.

There is also a timeline inconsistency: a government plan projecting 1,000 days for complete rehabilitation; set against a demolition drive executed in a matter of weeks. Meanwhile, the PM's parliamentary response had also offered no fixed date or concrete plan for resolution.

The effort to manage informal settlers was already started by current PM, Balen Shah in [November 2022](#), when he was Mayor of Kathmandu Metropolitan City. But the initial efforts met with clashes between the municipality and settlers, and judicial intervention. The court then as well had directed the KMC to prioritize the rehabilitation and resettlement of squatters before carrying out such evictions. However, as the failure in resettlement persists, it shows huge shortcomings on the preparedness of the government on relocation and rehabilitation over the years. Thus, now to prevent further harm, the government urgently needs to close these procedural loopholes, uphold the constitutional right to adequate housing, and respond compassionately to the needs and challenges suffered by the affected families.

Weekly Snapshot



Investigation on Shrawan's communal violence concludes:

Investigation committees formed to probe communal violence in Sunsari and Siraha found that security personnel used excessive force and recommended action against police officers, District Security Committee members and Chief District Officers in both districts. In Sunsari, the committees found that Nepal Police and APF fired 20 rounds, while non-lethal measures were not adequately deployed. Leaders from communities in both districts were also found to have contributed to escalating tensions, with action recommended against them. [Read More](#)

CIAA investigating personal secretaries of three former Prime Ministers:

The Commission for Investigation of Abuse of Authority (CIAA) has launched an investigation into the personal secretaries of former prime ministers Sher Bahadur Deuba, KP Sharma Oli and Pushpa Kamal Dahal. It has sought asset and transaction details from more than 20 agencies, including Nepal Rastra Bank and land revenue offices. Investigators have detected some unusual banking transactions and are collecting information on property, shares, vehicles, loans and family assets before recording statements. [Read More](#)



- **Government mandates E-commerce registration:** E-commerce businesses trading goods and services through platforms like websites, applications, and social media platforms are now mandated to register into the Department of Commerce, Supply and Consumer Protection, following a surge in complaints of fraud, distribution of substandard goods and services, and misleading presentations and advertisements. The mandate was followed with the implementation of section 4 of the 'E-commerce Act 2081' and the 'E-commerce Directive 2082'. Businesses that fail to register may face legal action and penalties. [Read More](#)

- **Nepal to restructure diplomatic missions to curb rent costs:** Nepal will close its embassies in Denmark, Brazil and South Africa, along with consulates general in San Francisco and Chengdu, and its embassy branch in Visakhapatnam, under a revised economic diplomacy strategy. Announced with the FY 2026/27 budget, the move aims to streamline Nepal's diplomatic network, reduce costs and align overseas missions with changing economic and strategic priorities. The government aims to make foreign representation more efficient and is focused to curb any overhead costs. [Read More](#)



- **70,000+ labor permits issued in Shrawan:** In Shrawan, 70,441 Nepalis obtained labour permits for foreign employment, including 42,693 first-time approvals and 27,748 renewals. Men accounted for 60,472 permits and women 9,969. The UAE was the leading destination with 18,784 permits, followed by Malaysia (12,498), Qatar (10,360) and Saudi Arabia (8,613). The figure was higher than the 69,362 permits issued in Asar. In FY 2082/83, 792,187 people received permits for foreign employment. [Read More](#)

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