

Image: Shreeyabbas

Nepal's Flood Recovery: Immediate Relief to Long-Term Resettlement

Following the devastating floods of August 26, Nepal faced yet another flash flood in October 11, triggered by a combination of an avalanche, a major landslide and debris flowing downstream in the Budhi Gandaki region. The disaster destroyed more than 100 houses and damaged critical infrastructure across several districts. Given Nepal's vulnerable topographical conditions and increasing exposure to disasters such as landslides and floods, communities living in high-risk settlements increasingly seek government assurance regarding the safety of their lives, homes and livelihoods against future threats.

Immediate Actions Undertaken

The government's prompt response to the floods through rescue operations, aid management, consultations with affected communities and efforts to seek international assistance has provided some relief to the affected population. The latest Budhigandaki floods damaged two permanent bridges, five suspension bridges, one Bailey bridge and one cantilever bridge, alongside a school and three hydropower facilities. Additionally, an estimated 140–150 livestock were swept away, while more than 100 houses were completely destroyed. The disaster prompted extensive rescue operations involving around 800 security personnel and five Nepal Army aircraft. A total of 508 people, including 51 foreign nationals, were rescued, while six people remained missing.
Meanwhile, the August 26 Bhotekoshi floods had alone caused an estimated NPR 7.917 billion in losses to household and business properties across 15 local governments in Rasuwa, Nuwakot, Dhading and Gorkha, directly affecting at least 32,872 people. While immediate rescue and relief efforts addressed the initial needs of affected communities, the scale of destruction has made long-term rehabilitation, resettlement and livelihood recovery equally important.

Government's Management of Recent Flash Floods

The Department of Urban Development and Building Construction (DUDBC) has recorded around 600 households in need of permanent housing following the Bhotekoshi and Budhi Gandaki flash floods. It has prepared three housing models costing NPR 600,000, NPR 800,000 and NPR 1 million, respectively. Construction of 50 temporary prefabricated houses, at an estimated cost of NPR 600,000 each, has been initiated, with the government allocating land in Bidur Municipality for temporary settlement until permanent housing arrangements are made. The number of households requiring permanent housing is likely to increase as a more detailed assessment of the Budhi Gandaki flood damage becomes available. To prevent further losses, the government has also proposed restricting the construction of permanent houses and concrete structures in flood-affected areas, with new settlements expected to be established in safer locations.

For the Bhotekoshi floods, a 13-member committee led by the Survey Department Director General has been formed to identify safe land for resettling families displaced or at risk. The committee is responsible for assessing damaged homes, identifying families requiring relocation and determining whether affected households have alternative land or housing arrangements. It will coordinate with local governments and land administration offices to identify suitable sites and submit recommendations to the government on resettlement needs and potential locations. However, in the case of the Budhi Gandaki floods, relocation and settlement plans remain dependent on the pre-existing local plans outlined by the Budhi Gandaki Hydropower Project.

Beyond resettlement, government oversight of the damage and recovery process has also continued through parliamentary mechanisms. A Parliamentary Special Committee has requested detailed, ward-level data on the damage caused by the Bhotekoshi and Kaligandaki floods, particularly concerning agriculture, livestock, fisheries, cultivable land and biodiversity. The committee will conduct field monitoring in the affected areas after receiving the required information from the concerned ministries.

Need for Robust Actions for Long-term Recovery and Resettlement



Photo : Local residents move to safer locations after floods from the Budhi Gandaki River washed away their homes. | The Kathmandu Post

Tourism, a major industry in both regions, has been badly affected by the floods, which struck during the festive season. The damage extends across the local economy, affecting hospitality businesses, porters, small enterprises and wholesalers. The Bhotekoshi floods alone affected more than 341 industries and businesses in Bidur and Belkotgadhi Municipalities and Kispang and Tarakeshwar Rural Municipalities. The affected sectors include agriculture and agro-processing, poultry and livestock, dairy, concrete and plastics, sand and rock processing, sawmills, block manufacturing, and metal and grill works. Around 1,300 jobs were lost.

In response, affected businesses have formed a rehabilitation mechanism, demanding longer-term recovery support, including concessional loans for at least five years, tax relief and assistance with heavy equipment. However, the slow pace of financial recovery remains a concern. According to insurance claims data, approximately NPR 20.90 billion in claims had been filed by October 30, but only NPR 821.39 million, or around 4 percent of the total claims, had been paid. Delays in damage assessments and claim processing have further constrained the ability of affected households and businesses to rebuild their properties and resume operations. On the international front, Nepal has also secured an important commitment towards climate-related recovery. The UN's Fund for Responding to Loss and Damage has agreed to earmark USD 20 million to support Nepal's recovery from the August floods, marking its first such funding allocation to a country since its establishment. While this is an important step towards securing international climate finance, the funds are yet to be disbursed, as Nepal must submit a formal proposal for the fund's approval. Considering the scale of the estimated losses, the allocation also remains a small contribution towards the overall reconstruction and recovery requirements. More than two months after the Bhotekoshi floods, the government has provided material and financial assistance to thousands of affected people. However, what remains crucial is ensuring that these efforts translate into actual recovery. With women, children and marginalized groups facing heightened vulnerabilities, there is a pressing need to safeguard their basic rights and access to food, shelter, education, safety and security. The government must remain proactive in ensuring that flood-affected communities have access to appropriate state protection and support in the coming months, particularly as they transition from immediate relief towards rehabilitation and reconstruction.

However, administrative hurdles, including the implementation of the one-door policy for aid management, continue to pose challenges. Local initiatives for repair and reconstruction have faced delays, as funds for specific projects are required to be channelled through the designated one-door mechanism. While centralised aid management can help maintain transparency and prevent duplication, its implementation should not unnecessarily delay locally led recovery efforts. Ensuring timely access to resources, clear coordination between federal, provincial and local governments, and transparent monitoring of aid distribution will be essential to sustaining recovery efforts beyond the immediate aftermath of the floods.

Weekly Snapshot



Image: Ekantipur

Expansion of VAT bill lottery rewards to cover consumers and businesses:

- The Inland Revenue Department has proposed a draft bill aimed to expand the PAN/VAT bill lottery incentive to sellers. They include NPR 25,000 daily prize and NPR 50,000 monthly prize to citizens with valid PAN/VAT bill being able to participate in the scheme and providing NPR 100,000 daily and NPR 7,50,000 as bumper prize. The expansion is welcomed after the introduced program raised revenue from VAT collection by up to 25%. Read More

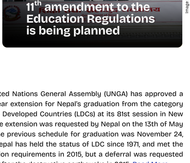


Image: Ekantipur

11th amendment to the Education Regulations is being planned

- The government is planning to amend education regulations just four months after passing the 10th amendment. The main issue is practical problems arising from provisions on teacher transfer and school management. Currently teachers have to work for three years to qualify for transfer, the amendment will reduce the mandatory period to one year and introduce priority transfer for teachers for humanitarian and special circumstances including teachers with disabilities, pregnant teachers, and female teachers with children under two years of age. The draft is currently with the Ministry of Finance for review. Read More

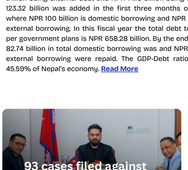


Image: The Kathmandu Post

Nepal's LDC graduation extension approved by UNGA

- The United Nations General Assembly (UNGA) has approved a three year extension for Nepal's graduation from the category of Least Developed Countries (LDCs) at its 81st session in New York. The extension was requested by Nepal on the 13th of May 2026, the previous schedule for graduation was November 24, 2026. Nepal has held the status of LDC since 1971, and met the graduation requirements in 2015, but a deferral was requested in 2018 after the destructive earthquake in 2015. Read More

- Nepal's public debt has surpassed NPR 30 trillion, with NPR 15.99 trillion being external debt and NPR 14.19 billion being domestic. NPR 123.32 billion was added in the first three months of FY 2083/84, where NPR 100 billion is domestic borrowing and NPR 23.32 billion is external borrowing. In this fiscal year the total debt to be raised as per government plans is NPR 658.28 billion. By the end of Ashoj, NPR 82.74 billion in total domestic borrowing was and NPR 16.13 billion in external borrowing were repaid. The GDP-Debt ratio has reached 45.59% of Nepal's economy. Read More

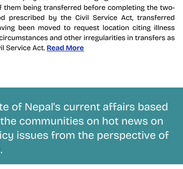


Image: Gorkhapatra

Nepal's public debt crosses 45% of total economy



Image: Rajdhanidaily

93 cases filed against RSP led government over transfers

- After the elections and swearing in of the government 93 cases have been filed at the Administrative Court challenging the government's transfer decisions. 34 of the cases were filed in the month of Aosj alone. The total pending cases in the Administrative Court is 194, where 93 are against the current government. Employees are challenging the transfers on grounds of them being transferred before completing the two-year period prescribed by the Civil Service Act, transferred despite having been moved to request location citing illness and other circumstances and other irregularities in transfers as per the Civil Service Act. Read More

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