

Economic Impact of the Bhote Koshi Flood, Nepal, 2026

Sectoral damage, Economic loss and Reconstruction need

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These slides have been edited for public release.

Background and event timeline

The morning of 26 August 2026 began with a mountain failure near the Nepal-Tibet border. Within minutes a wall of water and debris reached Rasuwagadhi and Timure. The Rapid Damage covers five districts: Rasuwa, Nuwakot, Dhading, Gorkha and Chitwan

- Ice-rock avalanche about 20 km upstream of Rasuwagadhi, near 08:40
- Flood then ran down the Bhote Koshi into the Trishuli corridor.¹
- NDRRMA reported 1,453 deaths and 5,550 missing in late September.³

Damages

Bhotekoshi–Lhende Khola flash flood caused extensive human, social, economic and physical damage across **Rasuwa, Nuwakot, Dhading, Gorkha and Chitwan**.

Damages mostly in

- **Roads and Bridges**
- **Schools and Public facilities**
- **Residential Buildings**
- **Hydropower**
- **Agriculture and other lands**

Roads

Galchhi–Trishuli–Rasuwagadhi corridor

- 69 km damaged: 55 km completely, 14 km partially.⁸
- Main highways in Rasuwa were fully obstructed as of 1 September.¹
- Transport reconstruction need: Rs 73.34 billion, including bridges.²
- Sector-level damage and loss figure not published separately: flagged.

Key : Roads were cut within minutes, which slowed rescue as much as the damage itself.

Bridges

Motorable bridges and suspension (trail) bridges

- 37 motorable bridges damaged; 33 washed away, 4 partially damaged.^{2, 8}
- 68 suspension bridges damaged, about 10.7 km in total length.⁶
- Department of Roads count at 1 September: 41 washed away, 4 damaged.¹
- Reports differ on footbridges: 53 of 64 damaged in one account.²

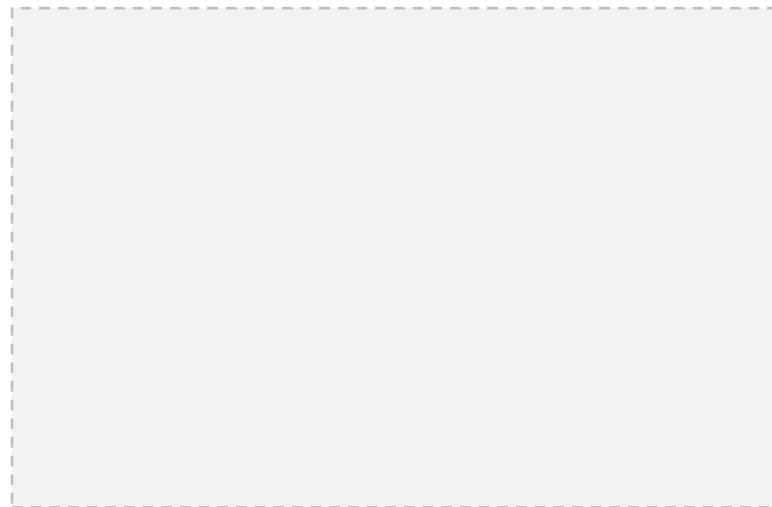


Key : Bridge counts are still being reconciled; a crossing register is needed.

Public buildings

Education, health, government and heritage facilities

- 18 schools damaged: 11 destroyed, 7 partly damaged; 56 buildings.^{7,9}
- 156 classrooms destroyed and 152 damaged.⁷
- School reconstruction need: Rs 4.23 billion.⁹
- 48 public buildings, 7 health facilities, 30 heritage sites damaged.²
- Education reports vary: 19 schools, 6,901 students in situation reports.²

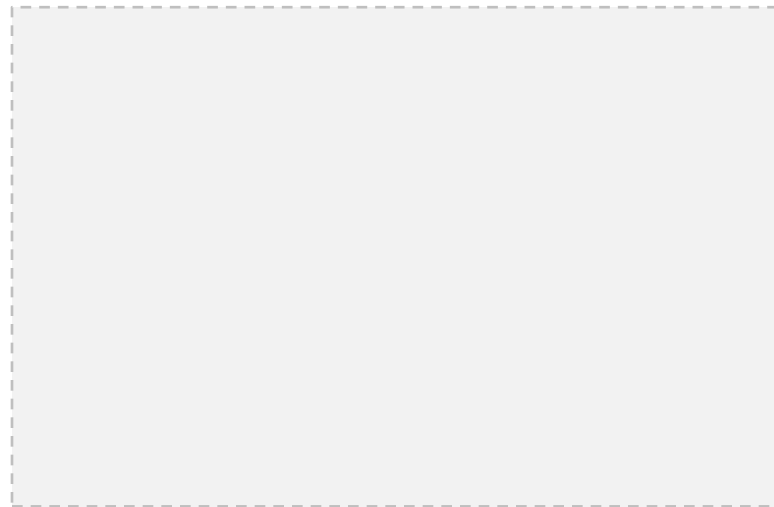


Key : Schools are a small cost but a long disruption to children's learning.

Hydropower

13 hydropower projects and 5 solar plants affected

- 759 MW of hydropower plus 24 MW of solar: 783 MW combined.²
- Eight of the 13 affected hydropower projects are privately owned.⁷
- Damage and loss: Rs 151 billion, the largest single sector.⁷
- Reconstruction of energy and grid: Rs 390.62 billion.²
- Over 800 project workers unaccounted for on 23 September.⁸

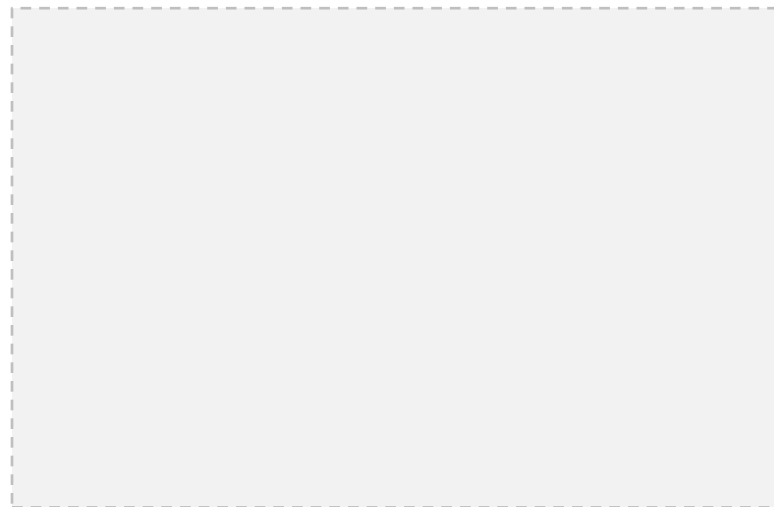


Key : Hydropower is the costliest sector, and most of the exposure is private.

Private buildings and residences

Houses and commercial establishments

- 7,570 houses damaged; 8,317 households, about 32,963 people.¹⁰
- Nuwakot 3,977, Rasuwa 1,779, Dhading 1,451 houses.⁷
- Housing damage and loss Rs 63.88 billion; rebuilding Rs 95.82 billion.⁷
- Nearly 4,800 businesses damaged: Rs 146.19 billion damage and loss.⁷



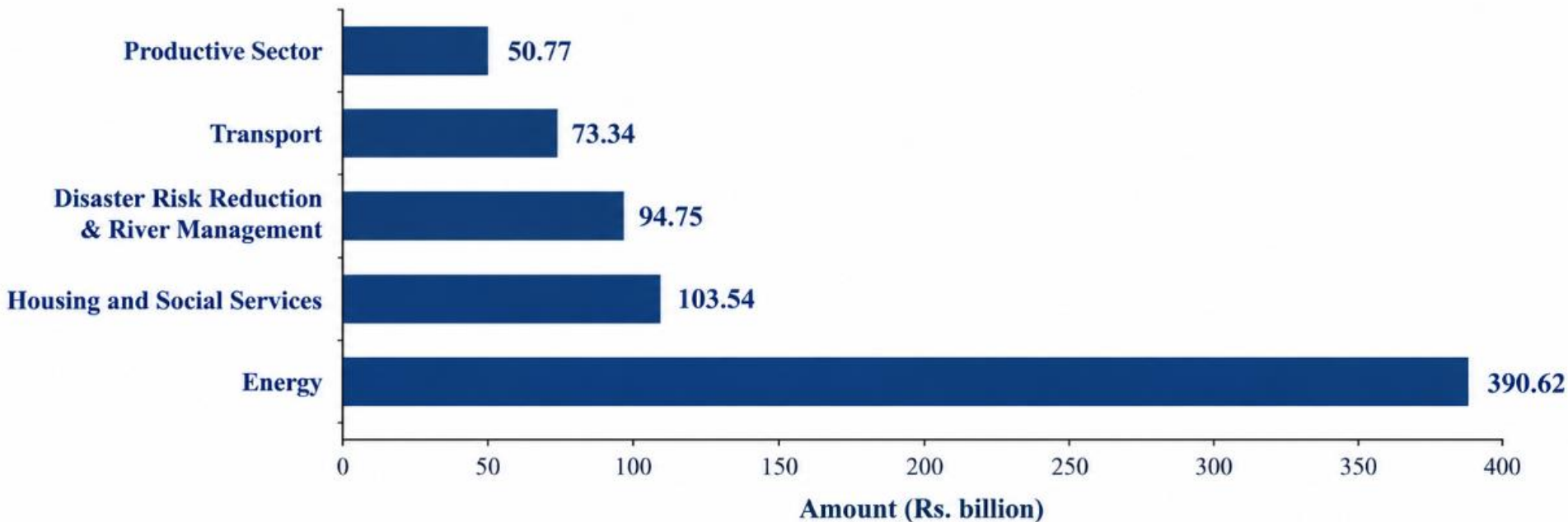
Key : Private households and firms carry most of the loss, largely uninsured.

Major Losses and damages

Sector	Major damage/loss	Estimated recovery need
Total disaster effects	NPR 408.29 billion	NPR 723.32 billion
Infrastructure	Major damage to roads, bridges, energy and utilities	NPR 473.57 billion
Energy	13 hydropower projects + 5 solar plants affected	Major component of infrastructure recovery
Private housing	7,570 houses destroyed/damaged	NPR 95.83 billion
Public buildings	48 affected; 35 destroyed, 13 partially damaged	NPR 4.23 billion
Education	18 schools affected	NPR 2.34 billion
Health	7 health facilities affected	NPR 0.78 billion
Agriculture, livestock & fisheries	Crops, livestock and fisheries severely affected	NPR 4.23 billion
Cultural heritage	About 30 sites affected	NPR 0.37 billion

Cumulative impact and sectoral comparison

This chart compares what each sector needs for recovery. Energy dominates at Rs 390.62 billion. Housing and social services come next at about Rs 103.5 billion, then disaster risk reduction and river management at about Rs 94.8 billion, transport at Rs 73.34 billion and the productive sector at Rs 50.77 billion. The bars do not add up to the full Rs 723 billion because other infrastructure and debris clearance are not shown. The point to make is concentration: energy alone is more than half the bill.



Key Priorities

- **Restore critical transport links** — roads, motorable bridges and suspension bridges.
- **Rehabilitate hydropower and electricity infrastructure** while incorporating flood and debris-flow protection.
- **Reconstruct houses in safer locations**, particularly where settlements are exposed to river erosion, debris flow and landslides.
- **Restore schools and health facilities** with disaster-resilient standards.
- **Rehabilitate agricultural land and livelihoods**, including livestock and fisheries.
- **Implement river training and watershed management** along vulnerable Bhotekoshi–Trishuli corridors.
- **Improve early-warning, evacuation and emergency-response systems.**
- **Undertake risk-sensitive land-use planning and relocation** where rebuilding in the original location would recreate unacceptable risk.
- **Protect critical infrastructure through redundancy and climate-resilient design.**
- Establish a **phased reconstruction programme**, separating immediate recovery, medium-term rehabilitation and long-term resilient reconstruction.

Reconstruction and Recovery

- The estimated **NPR 723.32 billion recovery and reconstruction requirement** is substantially higher than the direct damage because reconstruction is intended not simply to replace destroyed assets but to “**build back better**”, including disaster-risk reduction, safer infrastructure, river management and resilient settlement. About **NPR 473.57 billion (around 75%)** of the recovery requirement is associated with infrastructure.
- The Bhotekoshi flood represents not only a major physical disaster but also a significant disruption to Nepal's **energy, transport, housing, livelihoods and local economies**. With total damage and economic losses of about **NPR 408.3 billion** and reconstruction/recovery needs of about **NPR 723.3 billion**, reconstruction should move beyond asset replacement toward **risk-informed, climate-resilient and integrated river-basin reconstruction**.

Recovery, reconstruction and policy implications

These are the lessons from your draft, kept as policy priorities rather than findings. They reflect the direction the government and the NDRRMA chief have signaled, including detailed PDNA, relocation of high-risk settlements and a special recovery package for businesses. I would stress the last point: rebuilding to the old standard just rebuilds the old risk.

- Strengthen upstream flood and GLOF monitoring and real-time warning.
- Design roads, bridges and hydropower assets for debris-flow and sediment hazard.
- Build redundant access routes and communications for mountain corridors.
- Consider relocating settlements in high-risk riverbank zones.¹¹
- Rebuild to resilient standards, not pre-disaster vulnerability.

Overview of economic impact

Here are the four numbers to hold onto. Physical damage is about 1.81 billion US dollars. Economic loss, meaning income and output forgone, is about 883 million. Together that is roughly 2.7 billion, or Rs 408 billion. Rebuilding is a different and larger number, about 4.7 billion dollars, because it includes making assets more resilient, not only replacing them. Sources round the reconstruction figure between 4.71 and 4.78 billion depending on the exchange rate, so treat it as approximately 4.7 to 4.8 billion. The Rs 8.73 to 8.74 billion short-term piece is the first six months.

US\$1.81 bn

Physical damage⁶

US\$883 mn

Economic loss⁶

US\$2.70 bn

Damage plus loss (Rs 408 bn)^{6,7}

US\$4.7–4.8 bn

Reconstruction need (Rs 723 bn)²

- Short-term relief and recovery: Rs 8.73 billion over six months.²
- Long-term reconstruction: Rs 714.58 billion.²
- More than two-thirds of losses fell on the private sector.⁷
- Figures are preliminary; the full PDNA may vary by 20 to 30 percent.⁴

Conclusion

To close. The flood caused about 2.7 billion dollars in damage and loss, and will cost roughly 4.7 to 4.8 billion to recover from. Hydropower dominates the bill, and private households and firms carry most of the loss. The ADB has cut Nepal's growth forecast to 4.1 percent. Finally, a caution: these are rapid estimates, and the full assessment may differ.

- Damage and loss of about US\$2.7 billion; reconstruction need about US\$4.7–4.8 billion.^{2,6}
- Energy is more than half of the reconstruction bill.²
- Private sector bears more than two-thirds of losses.⁷
- ADB lowered its growth forecast for Nepal to 4.1 percent.¹²
- All figures are preliminary pending the full PDNA.

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