



Parliamentary Elections in Nepal

March 31, 2026

Overview

Nepal, a lower-middle income state in South Asia between India and the People’s Republic of China (PRC, or China), held parliamentary elections on March 5, 2026, six months after youth-led protests led to the resignation of Prime Minister K.P. Sharma Oli. Protestors expressed frustration with Oli, who had begun a fourth term in office in 2024, and other members of the political establishment in initially peaceful demonstrations that were overtaken by widespread unrest. In a repudiation of establishment political forces, the March 5 elections delivered a decisive victory to the Rastriya Swatantra Party (RSP), a relatively new, centrist political formation created in 2022. Former Kathmandu mayor Balendra Shah was sworn in as the RSP government’s prime minister on March 27.

Background

Nepal became a republic with the abolition of the monarchy in 2008, two years after the conclusion of a 10-year-long Maoist insurgency. Nepal’s government has brought former insurgents into the political system and seen peaceful transitions of power through free and fair elections, but shifting alliances among the country’s political elite have consistently prevented governmental stability. Between 2015 and 2025, three prime ministers served across eight cabinets, effectively rotating through the position as parliamentary coalitions shifted. At the same time, the country has faced persistent economic [challenges](#).

On September 4, 2025, Nepal’s government [blocked](#) 26 social media platforms for failing to comply with new legislation intended to [regulate](#) social media. This move sparked large-scale protests on September 8, when tens of thousands of demonstrators, predominantly young people, gathered in Kathmandu. The protests tapped into broader [disaffection](#) with the major political parties. Protestors expressed frustration with corruption, [highlighting](#) the lavish lifestyles of some officials’ children. The initially peaceful protests were overtaken by widespread unrest after [police](#) opened fire. Later that day, the government announced that the social media ban would be lifted, but protests [continued](#) on September 9, and unrest expanded to [arson](#) attacks on [government buildings](#) and other targets. Prime Minister Oli resigned that afternoon. Overall, at least 75 people were reported killed, and over 2,000 were injured. Economic [damages](#) were estimated at over \$586 million.

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IN12677

During the protests, Balendra Shah, known as Balen, a civil engineer and rapper who became mayor of Kathmandu in 2022, emerged as a potential new [leader](#). Shah, 35, expressed [support](#) for the protestors, but reportedly [declined](#) an offer to become Nepal's interim prime minister. An online vote organized by youth protest leaders on the social platform [Discord](#) selected [Sushila Karki](#), Nepal's former chief justice, as the country's interim leader. After Karki was sworn in as the country's first female prime minister on September 12, President Ramchandra Paudel dissolved parliament and set elections for March 5, 2026.

Election results

An independent as mayor of Kathmandu, Shah ran as part of the RSP in what some observers [termed](#) “a marriage of convenience.” The RSP won 182 of 275 seats in the lower house of parliament, far outpacing the political forces that had dominated parliament for almost 20 years—the Nepali Congress (NC) won 38 seats, the Communist Party of Nepal-United Marxist Leninist (CPN-UML) won 25 seats, and the Nepali Communist Party won 17 seats. This strong showing by the RSP, two seats short of a supermajority, marks the first time one party has secured a parliamentary majority in Nepal since 1999. Shah handily defeated Oli, of CPN-UML, in a Kathmandu constituency. Several other senior politicians also lost to RSP candidates.

Outlook

The March elections signaled a desire for change on the part of the electorate, representing opportunities but also potential challenges for Shah and the RSP. Shah gained popularity as an anti-establishment figure and a reformer, but his record governing as mayor has been described by some analysts as [mixed](#). Some [note](#) that Shah has been “short on specifics” on how he intends to govern. Shah communicates primarily through Facebook posts, rather than engaging with traditional media.

Some analysts foresee potential [tensions](#) between Shah and RSP [leadership](#). One analyst [describes](#) RSP as “an umbrella organization that brings together those disaffected with the existing parties under a technocratic vision centered on governance reform.” Upon taking power, the new government [unveiled](#) a 100-point framework for governance reform. How Shah approaches fighting corruption and pursuing [accountability](#) for the September 2025 violence may influence public sentiment toward his administration. The incoming RSP government also faces a range of [economic](#) and [geopolitical](#) challenges, including high youth unemployment, the return of migrant workers from [Persian Gulf](#) states and disruptions to remittance flows due to U.S. and Israeli military operations against Iran, and energy shortages.

Issues for Congress

Nepal maintains relations with both India and China, its two much larger neighbors, and with the United States. Some observers [forecast](#) that Shah's foreign policy will be pragmatic and centered on national interests. Others [suggest](#) that the new government's foreign policy “remains an open question.” Congress could assess what potential opportunities and challenges this represents for the United States. RSP senior leadership has [promised](#) a “balanced and independent” foreign policy with a focus on “development diplomacy.” It remains unclear what that could mean for infrastructure projects through China's Belt and Road Initiative, which have experienced “[glacial](#)” progress in Nepal.

The Trump Administration in 2025 reportedly [terminated](#) over \$329 million in foreign assistance programs in Nepal and initially put on hold [Millennium Challenge Corporation](#) (MCC) projects in the country. In February 2025, Secretary of State Marco Rubio [exempted](#) the MCC Nepal Compact from the Administration's 90-day pause on U.S. foreign assistance, and the Administration [announced](#) in July 2025

that MCC projects in Nepal would continue. A November 2025 [amendment](#) to the Compact increased funding by \$50 million.

A longstanding element of U.S. policy toward Nepal has been support for Tibetan refugees in the country. The PRC government [reportedly](#) has pressured the Nepali government to [restrict](#) free assembly and expression by Tibetans in Nepal. For FY2026, Congress [appropriated](#) \$13 million for Tibetans outside Tibet, with a portion of those funds being for programs to support Tibetans in Nepal.

Author Information

Maria A. Blackwood
Analyst in Asian Policy

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