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Chaudhary Group: Rebuilding Nepal

"I was face to face with the transient nature of life. You cannot postpone your cherished dreams and callings. Your duties and responsibilities can't wait. You do it now or never. You could be making plans for ten years, but how do you know what comes your way in the next ten days or the next ten minutes!"

— Binod Chaudhary (Binod), Chairman, Chaudhary Group

It had been fifteen months since the fateful day of 25 April 2015 had marred Nepal's landscape forever. The massive earthquake, coupled with numerous large aftershocks, had killed over 8,000 people, leaving millions homeless and causing immense damage to infrastructure and landmark sights. Binod reminisced how he and his son Nirvana Chaudhary (Nirvana) had rallied the Chaudhary Group, a billion-dollar conglomerate, and the Chaudhary Foundation, the philanthropic arm of the Chaudhary Group, to play a role in rebuilding Nepal. However, even as Nirvana and Binod reflected on their achievements over the past year and a half, they realized the need to re-visit their strategy in line with the directives of the government.

In the aftermath of the earthquake, Binod and Nirvana had taken stock of the situation to see how the group and the foundation could play a role in spearheading relief work. Committed to re-building Nepal, Binod was clear that the group should leverage its strength in project management and play an active role in relief efforts as opposed to making a blanket financial contribution to the Government. What followed were frenetic efforts to provide immediate relief and tend to the wounded, bereaved and homeless. The foundation worked steadily with a mix of stakeholders to chart the way forward and build a blue print for short and long-term relief measures.

Compelled to rethink their way forward, several questions persisted in Binod and Nirvana's minds. What element of relief work should the foundation focus on now? Should they go beyond addressing the needs of shelters alone and adopt a more holistic development plan? How could they acquire technical expertise and organize themselves to successfully execute this effort? How could they collaborate with the government in this endeavor? How would these efforts align themselves to the foundation's strategic focus areas and objectives?

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Nepal

Nepal, a small landlocked nation approximately the size of Greece¹, was located in Southern Asia with India to its east, south and west, and China to its north.² Home to the great Himalayas, it contained eight of the ten highest peaks in the world including Mount Everest, the world's tallest mountain.

Nepal's population was very diverse. It was an amalgamation of over 125 castes and ethnicities. Over 40% of the people spoke Nepali, the country's official language. The remaining spoke one of the other 123 local dialects such as Maithali, Bhojpuri, Tharu and Tamang. About 80% of the people were Hindus and another 10% were Buddhists.³

The country had a long and checkered history of political turmoil and instability. In 1951, the monarchy that had ruled the country for over a hundred years did away with hereditary premiers and introduced a cabinet system that allowed political parties into the government. This was suspended a decade later only to be re-introduced in 1990 with the establishment of a multi-party democracy and a bicameral legislature within the overarching umbrella of a constitutional monarchy. Disparities in development and political representation resulted in an insurgency led by Maoists^a that catapulted Nepal into a civil war in 1996. Consequently, in 2002, the cabinet was dissolved and the King assumed absolute power. Several years of unrest and peace negotiations culminated in a 2006 peace accord, the promulgation of an interim constitution in 2007 and elections in 2008 that abolished the monarchy and established a federal secular democratic republic in Nepal.⁴ Even after a democracy was established, the country saw a tenuous political leadership emerge with numerous changes of guard—nine governments changed hands over nine years and continuous partisan squabbling between the various ethnic groups undermined political and social stability.⁵ (See **Exhibit 1** for a list of Nepal's government's and prime ministers between 1990 and 2017.) National elections were expected to take place in 2017 subject to consensus on strategic amendments to a new constitution drafted in 2015. Key issues such as proposed state boundaries and contentions around the concentration of power amongst a few elitist groups had de-railed its amendment and adoption.⁶

Physiological and geological factors and a rugged and strenuous hilly terrain had made Nepal prone to natural calamities including earthquakes, floods, landslides, avalanches and fires that caused recurring losses to both life and property. Active faults between tectonic plates along the Himalayas had placed it in a zone of high seismic activity, vulnerable to earthquakes such as the one that hit Kathmandu in 1934.

Frequent natural catastrophes coupled with ongoing civil strife and lack of political consensus had resulted in poor economic development and a weak infrastructure making Nepal, with a GDP of \$70 billion, one of the least developed countries in the world. (See **Exhibits 2** and **3** for Nepal's economic growth between 2005 and 2015 and peer comparisons.) Over a quarter of the population lived below the poverty line and less than half had access to basic sanitation facilities. Being a primarily rural economy, agriculture was the mainstay of Nepal providing livelihood to over three fourths of the population and accounting for a third of the country's GDP. Industries were few and confined to the processing of agricultural products, jute and sugar manufacturing, timber, breweries and tourism.⁷ Limited employment opportunities had forced many Nepalis to seek employment outside the country in regions such as the Gulf and India. Nepal also fared poorly on human development indicators and with a HDI ranking of 144 it was worse than most of its peers in South Asia. While foreign investment was crucial for development, poor infrastructure, restrictive laws that limited the operation of foreign

^a Maoists were people, who followed the political, social, economic, and military theories and policies advocated by [Mao Zedong](#), as those concerning revolutionary movements and guerrilla warfare.

banks, repatriation of profits and currency exchange facilities; and the government's monopoly over sectors such as electricity transmission and distribution had impeded inflows into the country.⁸ Highlighting several business bottlenecks, the World Bank's 2017 Doing Business Report ranked Nepal 107 among 190 economies on the ease of doing business. It accorded a poor score to business enabling criteria such as paying taxes and enforcing contracts. This was a reflection of the endemic corruption in the country and lack of clarity on economic policies.⁹

The Nepal Earthquake

"When I returned to Kathmandu, my heart wept to see the ruins and rubble. Many of our heritage sites were destroyed, including the Bhimsen Stambha, popularly known as Dharahara, the icon of Kathmandu. The streets, the people, the houses, the monuments – these were inseparable parts of me! I was born here. I grew up in the streets – among these houses, among these people. I had such an innate connection to this place. Oh God, what had happened to the city where my heart belonged!"

– Binod Chaudhary, Chairman, Chaudhary Group¹⁰

On April 25, 2015, Nepal was ravaged by an enormous earthquake. Measuring 7.9 on the Richter scale, this was the largest quake to hit the country in more than 80 years. This was followed by another 7.3 magnitude quake on May 12, 2015 and a series of smaller quakes measuring 4 or more over the next few months. With the epicenter in Gorkha district, located north-west of Kathmandu, thirty-five of seventy five districts in Nepal were impacted of which 14 districts including Sindhupalchowk, Dolakha, Kathmandu, Dhading, Rasuwa and Lamjung faced the brunt of the impact. (See **Exhibit 4** for a map showing the earthquake affected areas.)

The quake triggered a colossal humanitarian crisis. Over 8,000 people died in the initial tremors and more than 22,000 were injured. Most people lost not only their homes but also their entire possessions and had to scramble for shelter, food, clothing and other necessities in the aftermath. Over a million children were left with no schools. Access to clean water became a serious issue as the earthquake destroyed nearly 5,200 water supply systems and 220,000 personal toilets.¹¹ Medical facilities were impacted as 956 hospitals and clinics were damaged.

The economic damage was equally sizeable. About 500,000 buildings were destroyed and 250,000 partially damaged including a number of historical monuments, landmarks and temples.¹² Nepal's National Planning Commission estimated that it would cost \$6.6 billion to reconstruct Nepal after the devastation.¹³ (See **Exhibit 4** for a depiction of the devastation caused by the earthquake.)

As international agencies and countries around the world pledged support and flew in relief supplies, in December 2015, the government set up the National Reconstruction Authority (NRA) to aid the re-construction efforts.¹⁴ The NRA was made responsible for supervising and managing international aid, donor funds and relief activities and Sushil Gyewali was appointed as its chief executive officer.¹⁵

Chaudhary Group

In the 1930s, Bhuramall Chaudhary, a Marwari^b textile trader migrated to Nepal from Rajasthan in the north west of India.¹⁶ Initially, he supplied textiles and goods to Nepal's royal family. Subsequently

^b A tiny community from the deserts of Rajasthan in India known for their acumen in finance, trade and commerce who gradually spread to different parts of India and South Asia dominating local businesses in the region.

in 1934, he established a modest retail clothing shop in Kathmandu. In the 1950's, his son Lunkaran Das Chaudhary (Lunkaran) dabbled in jute exports and construction and in 1968 successfully launched Nepal's first departmental store 'Arun Emporium'. He also set up a textile and hosiery plant and a plant producing steel utensils. In the late seventies, as his textiles and steel business closed down, Lunkaran made a small foray into foods and launched a biscuit factory and a flourmill. However, failing health forced him to hand over the reigns of his business to his 23-year old son Binod Chaudhary (Binod).

In the mid-eighties, Binod diversified the business and launched Wai Wai noodles. Within two years of its launch, Wai Wai displaced Nestle's Maggi in the local market. It eventually became the group's flagship product, earning Binod the sobriquet of the "noodle magnate." Propelled by the success of the noodles business, the group gradually expanded its presence in the fast moving consumer goods sector.^c Around the same time, Binod spearheaded the creation of industrial parks akin to special economic zones and leveraged these facilities to branch into the assembly and distribution of television and electronic products in collaboration with international players entering Nepal such as National for radios, Toshiba for TVs and later LG for color televisions and home appliances. Soon after, the group launched its own brand of TVs and subsequently ventured into home appliances, home entertainment, smart-phones and lighting solutions. It also established itself as a dealer and distributor for automobiles in the eighties and became the sole distributor of Suzuki Motors Corporation (Japan), Maruti Suzuki India Ltd. and TVS Motor Company India Ltd.¹⁷

Having scaled and established a strong base of operations, in the mid-nineties, the group ventured into financial services by buying a stake in Nabil Bank, Nepal's first private sector bank. Over the years, it developed a dominant position in the financial services sector with a foothold in commercial banking, insurance, merchant banking, hire purchase, leasing, remittance, financial solutions and other peripheral services. Progressively, it also diversified into the cement, telecom and power sectors with a focus on hydropower and energy efficient technologies, and more recently into education, biotech and Ayurveda.¹⁸ Commenting on the group's manifold businesses, Binod said, "In the 1970s, 1980s and 1990s we would on the one hand try to build our core competencies, which is branded, fast moving consumer goods. But at the same time, we would not leave the other opportunities that came our way, because what was our strength? It was creating an organization, finding new talent, forging partnerships, and putting the resources together."¹⁹

Not content with being a large conglomerate in Nepal, Binod single-mindedly spearheaded the group's international strategy. Since Nepal's Foreign Investment Control Act barred Nepalis from investing abroad, he opted to become a non-resident Nepali and laid the foundations of the group's international operations in Singapore. Beginning in 2003 with a joint venture with India's Tata group to operate hotels in Sri Lanka and Maldives, the group rapidly established a diverse portfolio of international businesses including export of FMCG (fast-moving consumer goods) products, hotels in four continents, realty projects and a private equity company.²⁰ While his eldest son, Nirvana Chaudhary (Nirvana), was responsible for the Nepal operations, Nirvana's younger brothers, Rahul and Varun ran the international operations from Singapore, Mumbai and Dubai.²¹

By 2015, the billion dollar Chaudhary Group from Nepal was a transnational conglomerate with business interests in South Asia, US, Africa and the Middle East earning Binod the title of "Nepal's one-man multinational."²² (See **Exhibit 5** for a list of the Chaudhary Group's business verticals.)

^c 1 USD = 104.05 Nepalese Rupees, 28th October 2017.

Chaudhary Foundation

The Chaudhary Foundation was the philanthropic arm of the Chaudhary Group. Led by Nirvana, it spearheaded social projects and social enterprise in Nepal. Binod elaborated on the foundation's purpose, "The Chaudhary Foundation follows our group's belief in the power of relationships. It was set up to enhance our contributions to society by reorganizing our social initiatives towards a sustainable and focused model." Although the foundation was set up in 1995, it was only in 2014 that it developed a framework outlining key areas of focus, namely: education, livelihood and skill development, enterprise development, health and sanitation, and heritage and spiritual development. (See **Exhibit 6** for the various verticals of the Chaudhary Foundation.) "Our approach," Binod explained, "is to focus on a few critical issues through which we can adopt the best methodology and have the greatest impact."²³

The education vertical had two programs. One was a quality school program that incorporated digital learning by upgrading information technology facilities and services in schools and running capacity development workshops. Another was the GyanUdaya scholarship program that provided annual scholarships to deserving students.

The livelihood and skill development vertical also had two focus areas. The CG Sipsikshya scheme provided vocational training in carpentry, masonry, electrical works and other skills. The Unnati scheme promoted sustainable livelihoods through the promotion of microenterprises. It helped promote and market microenterprise products especially of women entrepreneurs by facilitating access to a retail network and end buyers.

The enterprise development vertical encouraged social enterprise and entrepreneurship. It focused on addressing social issue through social business and enterprises

The health and sanitation vertical aimed to reduce water sanitation and hygiene related issues and improve women's health and hygiene. It built awareness on health and hygiene amongst children in community schools. It helped provide safe and clean water filtration systems and water storage tanks. It also spearheaded certain activities focused on women, such as the organization of health checkup facilities, the production and distribution of low cost sanitary napkins and health screening kits.

Post the devastating 2015 earthquake, the foundation decided to channelize its efforts to re-build Nepal by starting a Post-Disaster and Response Management vertical. Merina Ranjit, Chief Operating Officer of the Chaudhary Foundation reflected:

The earthquake was a big turning point for the Chaudhary Foundation. It was virtually re-born. This was when it realized that it could make a big difference to the community. Hitherto, it had been more like a small unit that engaged in philanthropy when Mr. Chaudhary was urged by people to contribute to a specific cause.

Binod was clear that the foundation should engage with relief activities in a strategic and direct way. Unlike many other Nepalese business groups who yielded to pressure to donate money to the Prime Minister's Relief Fund, Binod felt that it would be more efficient to leverage the group's project management skills than make a token contribution.

As the magnitude of the devastation unfurled before them, Nirvana and his team had to chalk out their role in providing both immediate relief and adopting a longer-term strategic approach to rebuilding the decimated nation.

Re-building Nepal

Relief Camps and Relief Distribution, April - May 2015

A few hours after disaster struck, the foundation opened up five of the group's schools in the Kathmandu valley as relief camps to provide shelter to the homeless and displaced. Realizing how difficult it was for people to get basic necessities, the foundation pulled in the group's FMCG business with its extensive distributor network to distribute free food, snacks, and juices worth about hundred thousand dollars to the victims. 600,000 packets of Wai Wai noodles, 20 tons of Bhujjiya^d and over 10,000 bottles of water and juices from their stable of products were distributed to the victims and relief volunteers visiting the impacted areas. Resources from Binod's brothers' health care business were brought in to provide medical relief material, blankets and doctors not only at their schools, but also at other relief camps in the vicinity. Over 100 distributors and 50 staff members of the group orchestrated this effort. Financial support was extended to over 350 group employees impacted by the calamity to rehabilitate themselves.

Over the next two months as a clearer picture of the extent of the devastation emerged, the foundation realized the magnitude of the task before them. Over 700,000 homes had been destroyed and about a million students left with no schools to attend. This huge displacement of people accompanied by the imminent arrival of the monsoons formed the bedrock of their strategy to build transitional shelters and schools to help re-settle the victims quickly.

Building Transitional Shelters, June 2015 - July 2016

First, Nirvana wanted to get a deeper understanding of building shelters and coordinating re-construction efforts at scale. He reached out to Jaivir Singh, Vice Chairman, PricewaterhouseCoopers India Foundation for help. Singh recollected, "I will never forget that one-hour meeting that I had with them. I was awed by their commitment to accept their responsibility as the private sector to respond substantively." Based on their discussion, the group decided to rebuild 10,000 homes and 100 schools.

An earthquake relief steering committee was formed consisting of senior members from the Chaudhary Group. Each member was assigned to one or more of the six focus areas—shelters, schools, technical, processes, reports and compliance, public relations and funds—with clearly defined responsibilities. (See **Exhibit 7** for earthquake relief steering team.)

Initially, the foundation considered outsourcing the rebuilding of shelters to NGOs operating in Nepal. It initiated discussions with one of them, Habitat for Humanity, to get a better understanding of design and cost. However, the prototype suggested by development organizations cost approximately \$1,800 per shelter. This seemed expensive given the large number of homes that needed to be re-built. The foundation looked for an alternative and realized that the group had some expertise in sourcing raw materials and transportation owing to its presence in the real estate and cement businesses. It eventually decided to leverage this knowledge and chose to facilitate and lead the construction of these shelters.

Recognizing the need for technical expertise, the foundation decided to work with India based Seeds (Sustainable Environment and Ecological Development Society) that had experience in building post-disaster shelters and educational infrastructure. Their goal was to design a simple transitional

^d A ready to eat savory snack.

shelter that the beneficiaries could build themselves once they were trained.^e Together, in merely 15 days, they developed a prototype of the shelter using a mix of bamboo, corrugated tin sheets and mud plaster. The shelter was estimated to have a life span of 3-5 years and cost only \$1,000. Once the prototype was approved, the foundation decided to build 69 incremental shelters in the same region. (See **Exhibit 8** for a picture of the transitional shelter design.) Eventually, their ability to source raw materials in bulk, reduced costs further to \$565. (See **Exhibit 9** for transitional shelter costs.)

Thereafter, the foundation identified construction sites in the earthquake-ravaged areas based on multiple criteria such as need, accessibility and proximity to raw material. Each identified site was allocated a social mobiliser, a technical person and a storekeeper. Social mobilizers were selected from the rural communication experts in the group's telecom team. They had to mobilize and convince villagers to come forward and get trained on building their homes; they also had to secure local regulatory approvals and manage local functionaries such as the committees, the municipality and the chief district officers.^f SEEDS provided the technical experts, who were responsible for training and guiding the beneficiaries in constructing the shelters. The storekeepers, also enlisted from the group's telecom team, controlled and tracked raw material supplies.

In parallel, beneficiaries were selected for the sites. Six criteria—female-headed households, pregnant women, mothers with kids below two years, elderly people, disabled people, and highly financially deprived people—were used to shortlist beneficiaries. Shortlisted beneficiaries had to sign a legal agreement and get trained on the construction process.

Then, the actual construction started. It was common for trained communities to come together to build homes for each other. Construction timelines (3 days by 5 people per shelter) were monitored closely and bottlenecks resulting in delays were addressed immediately. Once all the shelters on a site were completed, a technical audit was conducted to do a quality check. Eventually, the shelters were handed over to the victims with a commemorative plaque that had their names inscribed on the same.

The construction of schools was outsourced to contractors. Each school cost about \$9,500. It took about one month to construct a school. A large fraction of this time was spent in getting the requisite approvals from the department of education and the specific school leadership teams.

The foundation closely monitored progress of all the on-field activity. It put in place a detailed MIS system to track effort. A daily report captured progress across each site. The report had granular details (plinth status, flooring, etc.) of the work at each shelter. The team met every day after six p.m. to take stock of relief activities and to address bottlenecks and issues. Ranjit commented, "If there was a site that was not progressing well, we would discuss the reasons. If logistics was the issue, the logistics person had to state how and by when he would solve the issue. The meetings were intense; we were working as if we were in the military. We also recorded the minutes of each and every day." (See **Exhibit 11** for minutes of an earthquake relief team meeting.)

Simultaneously, the group leveraged its relationships with its business partners to source funds for its reconstruction efforts. The foundation spent about \$2 million on building schools and transitional shelters. The fund-raising team raised donations worth about 85% of this amount from partners such as LG, Eureka Forbes, PwC, United Foods and several others. (See **Exhibit 10** on contribution details

^e Post disaster household shelters were made from materials that could be upgraded or re-used in more permanent structures, or could be relocated from temporary sites to permanent locations. They were designed to facilitate the transition of affected populations to more durable shelter.

^f A chief district officer was the highest administrative officer in a district appointed by the government.

from the group and partners on earthquake relief.) To ensure that help was being channelized to people who needed it the most and that funds were being used judiciously to build quality homes and schools, the group empaneled PwC India to conduct independent monitoring and evaluation of the project.

Assisting Other Relief Organizations

In addition to spearheading its own relief efforts in Nepal, the foundation also assisted other networks engaged in relief work. Over 30,000 local and international non-government organizations and other private actors were working on different facets of earthquake relief and rehabilitation. Many of these organizations were struggling with government bureaucracy and other barriers to distribute relief supplies within the country. The foundation leveraged its contacts within the government and its access to the field sites to help organizations such as Team Rubicon and Manav Sadhna. Nirvana reflected, "Just as long as anyone was coming into Nepal at that point to help and we could do anything about it, we were doing it."

Challenges

However, these efforts were far from easy. Despite Nepal's susceptibility to natural disasters, the government's investment towards mitigation and risk reduction was minimal. Most resources, monetary and otherwise, were directed towards future development.

Another ongoing challenge was to provide relief to all those who had been affected. The foundation needed to reach not only the large number of victims in the densely populated Kathmandu valley and its peripheries but also the few communities in remote regions inaccessible due to topography and weather. Transportation and supply of raw materials to these remote regions was daunting. Ranu Sharma, Manager of the Group's telecom operations, reminisced how the field team doggedly persisted despite these odds, managing over 12-15 sites at one time and even handing over 571 shelters in a day. He shared an anecdote of a remote area that they had serviced, "The Baseri area, where we completed 166 shelters, is around 13.6 miles from the main junction where we stock bamboo. In the rainy season, it took us more than four hours to cover that distance."

The unstable state of Nepalese politics also made it difficult for the foundation to work with the government. In the initial eight months after the earthquake, there was no single local body that assumed ownership. Although the district development committees were given the mandate to coordinate relief activities in their areas, information on the kind of support required at each district was not forthcoming. There were also regulatory impediments around whether the foundation was entitled to distribute relief material to those impacted. In many cases, the ability to develop an informal relationship with the local functionaries at a district level was the only way to get things done. As the foundation started building homes, questions arose around who would approve the shelter design. Reflecting on the sheer chaos and frenzy of those months, Ranjit highlighted that they were guided by Binod's advice, "If there are any issues we will deal with it, you do not have to slow down your relief activity."

To make things worse, soon after the earthquake, in September 2015, the Government adopted the new but contentious constitution. This triggered violent unrest amongst minorities in the country's south. They blocked Nepal's main supply route from India, a critical source of fuel and other key resources, for 135 days. A director of Plan International, a development and humanitarian organization working on children's rights and equality for girls described the impact of this blockage, "That slowed everything down, so you know materials couldn't be shifted around, fuel couldn't get to the trucks, even electricity was being rationed."²⁴

Private Sector Involvement - A Business Case

The Chaudhary Group's efforts in earthquake rehabilitation proved to be an archetype for the role the private sector could play in natural calamities. Being a conglomerate with businesses in a multitude of sectors including building materials and construction gave the group a natural advantage. This coupled with its pan-Nepal distribution network afforded it the ability to respond quickly and effectively. Acknowledging this, Singh said, "The humanitarian development community for many years has talked about localization and the building of local competencies." The group's efforts gave it visibility amongst the development community, helping it forge new partnerships with organizations such as the Bill and Melinda Gates foundation, the UNDP and others.

The group's relief work not only had positive externalities, it also helped the organization internally. Involving staff members directly in earthquake rehabilitation efforts helped generate pride amongst employees. They felt satisfied about being part of an organization that had contributed to the country at such a critical juncture.

New Developments

Notwithstanding the many challenges, by July 2016, considerable progress had been achieved. The group had built and handed over 2,520 transitional shelters and 40 schools across 34 sites in 10 of the 14 earthquake-ravaged districts of the country. In the process, 7,000 people had been trained on skills like brickwork, carpentry and masonry. Inspired by its success, the group was committed to meeting its target of building 10,000 shelters and 100 schools. However, this was not to be.

Around the same time, the NRA announced about a \$2,500 grant to all those victims whose homes had been destroyed. Most beneficiaries refused to go ahead with transitional shelters fearing that they would have to forsake this grant. Chief District Officers present at the sites also refused to mitigate this fear. The NRA which had come under fire for being slow to react to the crisis pushed the Chaudhary group and other corporates to consider building permanent shelters and schools instead of transitional ones at pre-decided designated clusters. This put a halt to the group's relief efforts, forcing them to re-think their strategy.

Looking Ahead

Binod and Nirvana contemplated their future strategy. Given the government's rigid stance and embargo on the construction of transitional shelters, they had no choice but to scale back and review their plans. The last fifteen months had been a source of tremendous learning and had only strengthened their commitment to play a strategic role in rebuilding Nepal.

Reflecting on the way forward, Binod and Nirvana felt the need to go beyond building shelters and to formulate a more holistic blue print for development. What shape would this blueprint take? How could they leverage their learnings over the last fifteen months and replicate a model at scale? How would this align itself to the other programs being operated by the Chaudhary Foundation? And finally, would they be able to enlist the support of the NRA and the government in this endeavor? Only time would tell.

Exhibit 1 List of Governments and Prime Ministers in Nepal (1990 - 2017)

Serial Number	Period	Government	Prime Minister
1	Apr 1990 - May 1991	Interim-Coalition	Krishna Prasad Bhattarai
2	May 1991 - Nov 1994	NC – Majority	Girija Prasad Koirala
3	Nov 1994 - Sep 1995	UML – Minority	Man Mohan Adhikari
4	Sep 1995 - Mar 1997	NCP, RPP, NSP – Coalition	NCP, RPP, NSP-Coalition
5	Mar 1997 - Oct 1997	RPP, UML, NSP, Nepal Workers and Peasants Party-Coalition	Lokendra Bahadur Chand
6	Oct 1997 - Apr 1998	RPP, NC, NSP, Independents -Coalition	Surya Bahadur Thapa
7	Apr 1998 - May 1999	NC, ML	Girija Prasad Koirala
8	May 1999 - Mar 2000	NC-Majority	Krishna Prasad Bhattarai
9	Mar 2000 - Jul 2001	NC-Majority	Girija Prasad Koirala
10	Jul 2001 - Oct 2002	NC-Majority	Sher Bahadur Deuba
11	Oct 2002 - Jun 2003	RPP, 9 Member Interim Government	Lokendra Bahadur Chand
12	June 2003 - June 2004	RPP	Surya Bahadur Thapa
13	June 2004 - Feb 2005	NC (D), UML, RPP, NSP Coalition	Sher Bahadur Deuba
14	Feb 2005 - Apr 2006	Direct rule by King.	King Gyanendra Bir Bikram Shah
15	Apr 2006 - Aug 2008	NC	Girija Prasad Koirala
16	Aug 2008 - May 2009	CPN-M, CPN(UML), Madhesi Peoples Right Forum	Pushpa Kamal Dahal(Prachanda)
17	May 2009 - Feb 2011	22-party Coalition Government	Madhav Kumar Nepal
18	Feb 2011 - Aug 2011	UPCN(M) and the UML	Jhala Nath Khanal
19	Aug 2011 - Mar 2013	UCPN(M), MPRFN, Terai Madhes Loktantrik Party, Sadbhavana Party	Baburam Bhattarai
20	Mar 2013 - Feb 2014	Nonpartisan	Khil Raj Regmi
21	Feb 2014 - Oct 2015	NC and UML	Sushil Koirala
22	Oct 2015 - Aug 2016	UML, MPFRN, RPP	Khadga Prasad Oli
23	Aug 2016 - Incumbent	CPN-MC, CPN-U, RPP, NCP	Pushpa Kamal Dahal

Keywords	
NC: Nepali Congress Party	CPN-M: Communist Party of Nepal (Maoist)
UML: Unified Marxist-Leninist	CPN(UML): Communist Party of Nepal (Unified Marxist-Leninist)
RPP: Rastriya Prajatantra Party	UPCN(M): Unified Communist Party of Nepal (UPCN)-Maoist
NSP: Nepal Sadbhavana Party	MPRFN: Madhesi Peoples' Rights Forum Nepal
ML: Marxist-Leninist	CPN-MC: Communist Party of Nepal (Maoist Centre)
NC(D): Nepali Congress (Democratic)	CPN-U: Communist Party of Nepal (United)

Source: Compiled by casewriters.

Exhibit 2 Macroeconomic Comparison of Nepal with Neighboring countries and other LDCs* in Asia

	Data Year	Nepal*	Afghanistan*	Bhutan*	Bangladesh*	Cambodia*	Myanmar*	Pakistan#	India#	China#	Sri Lanka#
Economic Indicators											
GDP (US\$ Bn PPP)	2015	70.2	62.6	6.5	537.7	54.4	282.9	946.7	8003.4	19815.1	246.6
Real GDP growth (%)	2016	0.6	2.0	6.2	6.9	7.0	6.3	4.7	6.8	6.7	4.3
Population (millions)	2015	28.5	32.5	0.8	161.0	15.6	53.9	188.9	1311.1	1371.2	21.0
Labor force participation rate, (% of total population ages 15+, ILO estimates)	2016	83	53	67	62	81	78	54	54	71	52
Unemployment rate (% of total labor force, ILO estimates)	2016	2.5	8.5	2.4	4.1	0.3	0.8	5.9	3.5	4.6	5.0
Consumer Price inflation (%)	2016	10.0	2.2	3.3	5.5	3.0	9.9	3.8	4.9	2.0	3.7
Global Competitiveness Index (out of 138)	2017	98	NA	97	106	89	NA	122	39	28	71
Ease of doing business rankings (out of 190)	2017	107	183	73	176	131	170	144	130	78	110
Corruption Perceptions Index (out of 176)	2016	131	169	27	145	156	136	116	79	79	95
Social Indicators											
HDI rank (out of 177)	2015	144	169	132	139	143	145	147	131	90	73
Life expectancy at birth, annual estimates (years)	2015	70.0	60.7	69.9	72.0	68.8	66.1	66.4	68.3	76.0	75.0
Adult literacy rate (% aged 15 and older)	2015	64.7	38.1	63.9	61.5	78.4	93.1	56.4	72.2	96.4	92.6
Infant mortality rate (per 1000 births)	2015	29	66	27	31	25	40	66	38	9	8
Rural population (% of total population)	2015	81	73	61	66	79	66	61	67	44	82
Population below poverty line	2010-12	25.2	36.0	12.0	31.5	20.0	32.7	22.3	29.8	6.1	8.9
Sanitation facilities (% of population with access)	2015	46	32	50	61	42	80	64	40	77	95
Gender Inequality Index (GII) 2015	2015	0.50	0.67	0.48	0.52	0.48	0.37	0.55	0.53	0.16	0.39

Source: Data compiled from World Bank, IMF, UNDP, Statista.com, World Economic Forum, Doingbusiness.org, Nations Online, CIA.

Exhibit 3 Nepal Economic and Social Indicators 2005-2017, pre and post the 2015 earthquake

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Economic Indicators													
GDP (US\$ Bn PPP)	38.5	41.0	43.5	47.1	49.6	52.6	55.5	59.2	62.7	67.6	70.2	71.5	76.0
GDP growth (annual %)	3.5	3.4	3.4	6.1	4.5	4.8	3.4	4.8	4.1	6.0	2.7	0.8	5.4
Population (millions)	25.5	25.8	26.1	26.3	26.6	26.9	27.2	27.5	27.8	28.2	28.5	28.8	29.2
Agriculture, value added (% of GDP)	36.3	34.6	33.6	32.7	34.0	36.5	38.3	36.5	35.0	33.8	33.0	NA	NA
Industry, value added (% of GDP)	17.7	17.2	17.1	17.3	16.4	15.6	15.4	15.5	15.7	15.4	15.4	NA	NA
Services, etc., value added (% of GDP)	46.0	48.2	49.3	49.9	49.6	47.8	46.3	48.0	49.2	50.7	51.6	NA	NA
Trade (% of GDP)	44.1	44.8	44.6	46.0	47.1	46.0	41.8	43.7	48.1	52.3	53.3	NA	NA
International tourism, receipts (current US\$ million)	160	157	234	353	439	378	415	379	460	511	509	NA	NA
International tourism, number of arrivals ('000)	375	384	527	500	510	603	736	803	798	790	539	730	NA
Labor force, total (million)	13.0	13.2	13.4	13.6	13.8	14.1	14.4	14.8	15.2	15.6	15.9	16.3	NA
Consumer Price Inflation (%)	6.8	6.9	5.7	9.9	11.1	9.3	9.3	9.5	9.0	8.4	7.9	10.0	9.89
Access to electricity (% of population)	47.3	51.2	55.3	59.4	63.4	67.5	76.3	75.6	79.7	84.9	NA	NA	NA
Mobile cellular subscriptions (per 100 people)	1	5	13	16	21	34	49	60	77	82	97	82	NA
Individuals using the internet (% of population)	0.8	1.1	1.4	1.7	2.0	7.9	9.0	11.1	13.3	15.4	17.6	19.9	NA
Ease of doing Business Rankings (out of 190 in 2017)	NA	NA	100***	123	123	110	107	103	105	94	100	107	107
Social Indicators													
HDI Rank	136	NA	NA	138	NA	146	145	145	145	145	144	144	NA
Life expectancy at birth, total (years)	65	66	67	67	68	68	68	69	69	70	70	71	NA
Adult literacy rate (% aged 15 and older)	NA	NA	NA	NA	NA	NA	59	NA	NA	NA	65	NA	NA
Infant mortality rate (per 1000 births)	46	44	42	40	38	36	35	33	32	31	29	29	NA
Population living in slums (% of urban population)	60.7	NA	59.4	NA	58.1	NA	NA	NA	NA	54.3	NA	NA	NA

Source: Data compiled from World Bank, UNDP, Statista.com and Tradingeconomics.com.

Exhibit 4 Nepal Earthquake 2015 - Scope of Damage**A. Sector-wise Impact**

	Disaster Effects (USD Mn)			Distribution of Disaster Effects(USD Mn)		Losses in Personal Income (USD Mn)
	Damages	Losses	Total	Private	Public	
Social Sectors	\$ 3,451.90	\$ 521.12	\$ 3,973.02	\$ 3,531.82	\$ 441.20	-
Housing and human settlements (% of social sector)	85.52%	87.52%	85.79%	96.50%	-	-
Health	1.81%	2.09%	1.85%	0.38%	13.55%	-
Education	7.90%	6.07%	7.66%	0.65%	63.81%	-
Cultural heritage	4.76%	4.32%	4.70%	2.46%	22.64%	-
Productive Sectors	\$ 564.65	\$ 1,167.19	\$ 1,731.85	\$ 1,536.99	\$ 194.88	\$ 166.49
Agriculture	28.25%	9.96%	15.93%	16.33%	12.74%	26.88%
Irrigation	0.66%	-	0.22%	-	1.91%	-
Commerce	15.52%	6.61%	9.52%	10.72%	-	15.57%
Industry	14.45%	9.06%	10.82%	12.19%	-	21.34%
Tourism	32.48%	52.80%	45.61%	47.51%	30.62%	36.21%
Finance	8.64%	22.40%	17.91%	13.24%	54.73%	-
Infrastructure Sectors	\$ 510.06	\$ 139.26	\$ 649.32	\$ 168.02	\$ 481.30	-
Electricity	33.94%	23.98%	31.81%	90.09%	11.46%	-
Communications	6.88%	35.50%	13.02%	9.91%	14.11%	-
Community infrastructure	6.38%	-	5.01%	-	6.77%	-
Transport	32.76%	34.42%	33.12%	-	44.68%	-
Water and sanitation	20.03%	6.10%	17.04%	-	22.99%	-
Other Sectors	\$ 504.35	\$ 10.32	\$ 514.66	\$ 17.06	\$ 497.60	-
Governance	36.16%	-	35.44%	-	36.29%	-
Disaster risk reduction	0.30%	-	0.29%	-	0.30%	-
Environment and forestry	63.54%	100.00%	64.27%	100.00%	63.05%	-
Total (USD Mn)	\$ 5,174.00	\$ 1,890.00	\$ 7,065.00	\$ 5,404.00	\$ 1,661.00	\$ 171.00

Source: Post Disaster Needs Assessment, Vol. A: Key Findings, Nepal Earthquake 2015. Kathmandu, Nepal: National Planning Commission, Government of Nepal.
(<http://www.nra.gov.np/uploads/docs/PDNA%20Volume%20A%20Final.pdf>).

Exhibit 4 (continued)**B. Human Impact (Statistics)**

Particulars	Count
People	
Number of people affected (millions)	8
Number of people displaced (millions)	2.8
Number of deaths	8,856
Number of injuries	22,309
Number of children left with no school (in millions, out of 9 million)	1
Number of people pushed into poverty by the quake	700,000
Number of families who lived in high altitude temporary shelters through winter	200,000
Number of people receiving humanitarian aid (millions)	3.7
Property	
Number of houses destroyed	602,257
Number of houses damaged	185,099
Number of govt. buildings damaged	6,430
Number of classrooms destroyed	35,000
Number of hospitals and clinics damaged	956

Sources:

1. A list of some effects from Nepal's earthquake 1 year ago By The Associated Press 21 April 2016 00:51 Associated Press Newswires (c) 2016. The Associated Press. All Rights Reserved.
2. Nepal Earthquake 2015. (2017). Situation Report #17. [Online] Nepal: World Health Organization, p.1. Available at: <http://www.searo.who.int/entity/emergencies/crises/nepal/who-sitrep17-19-may-2015.pdf?ua=1> [Accessed 27 Apr. 2017].
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C. Cultural Impact

UNESCO Heritage Sites Destroyed	Location
Dharahara Tower	Kathmandu
Kathmandu Durbar Square	Kathmandu
Bhaktapur Durbar Square	Bhaktapur
Patan Durbar Square	Patan
Boudhanath Stupa	Kathmandu

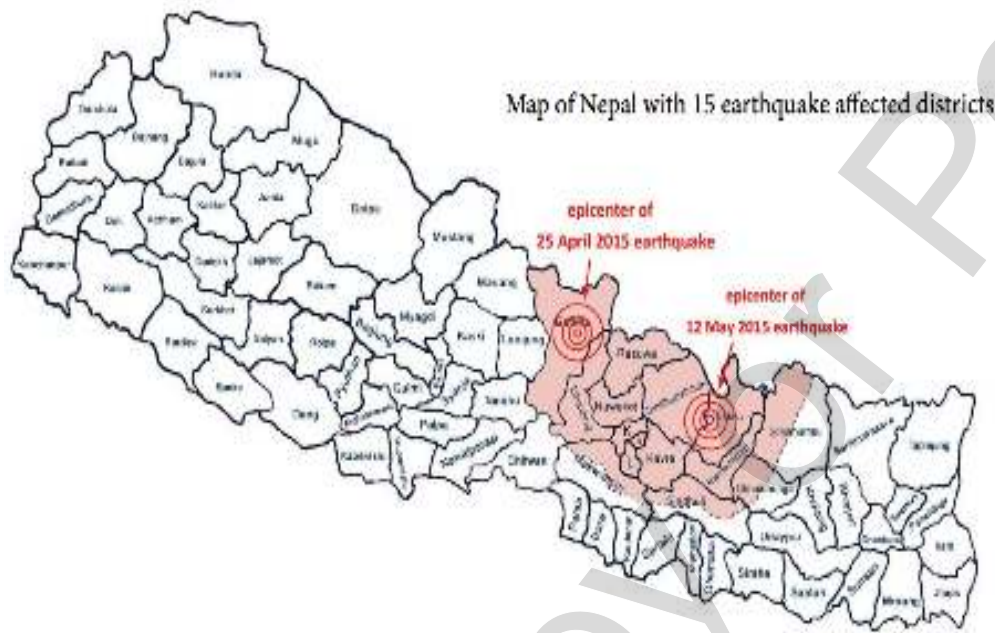
Source: Romey, K. (2015). *Nepal's 8 Key Historic Sites: What's Rubble, What's Still Standing*. [online] News.nationalgeographic.com. Available at: <http://news.nationalgeographic.com/2015/04/150427-nepal-earthquake-damage-temples-buddhism-hinduism-world-heritage-monuments-unesco/>, accessed 27 Apr. 2017.

Exhibit 4 (continued)

D. Geographical Impact - Regions Impacted Worst by the Earthquake

Name of the District	Houses Destroyed (in Percentage)	Number of Human Casualties	Number of Govt. Schools Destroyed
Gorkha	88	448	495 of 495
Dhading	85	733	587 of 608
Nuwakot	88	448	495 of 495
Rasuwa	96	652	98 of 98
Kathmandu	20	1222	250 of 299
Lalitpur	24	177	149 of 200
Bhaktapur	41	333	126 of 137
Makwanpur	37	33	361 of 533
Kavre	91	318	548 of 594
Sindupalchok	100	3440	557 of 557
Dolakha	100	3440	396 of 396
Ramechhap	91	39	151 of 469
Solukhumbu	46	20	nil
Okhaldunga	41	20	228 of 331
Sinduli	50	15	451 of 557

Source: District-wise Damage Summary. (2015). [online] Karuna-Shechen, p.1. Available at: <http://karuna-shechen.org/wp-content/uploads/2015/06/list-of-affected-districts.pdf>, Accessed 28 Apr. 2017.



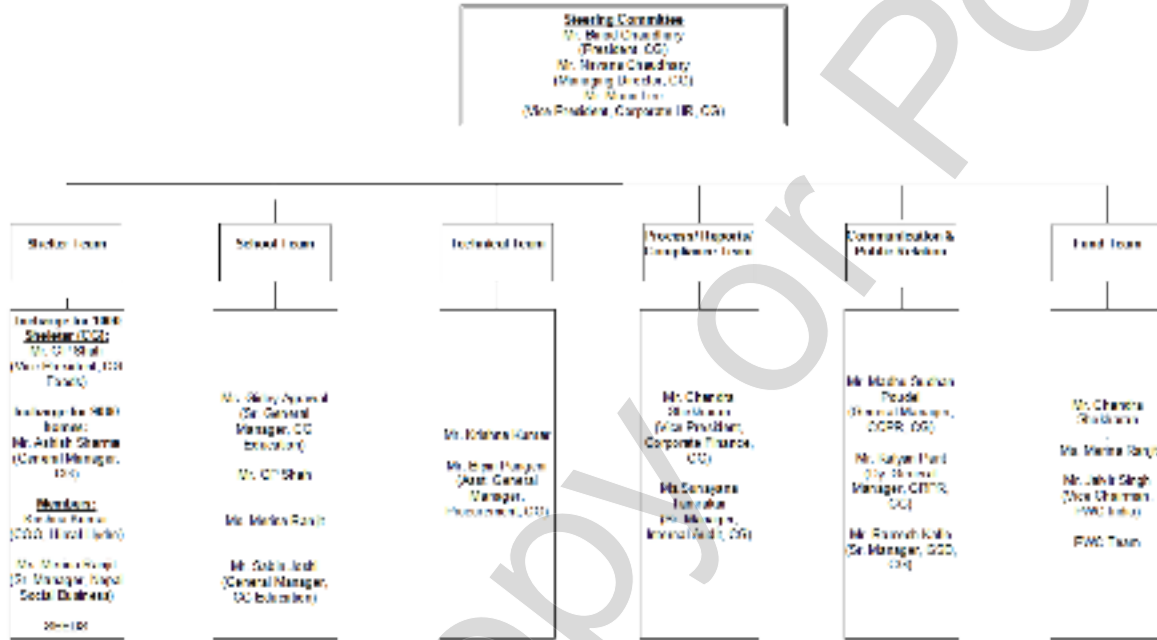
Source: <http://karuna-shechen.org/wp-content/uploads/2015/06/list-of-affected-districts.pdf>.

Exhibit 6 Chaudhary Foundation: Focus Verticals



Source: Company documents.

Exhibit 7 Earthquake Relief Steering Committee constituted by the Chaudhary Group



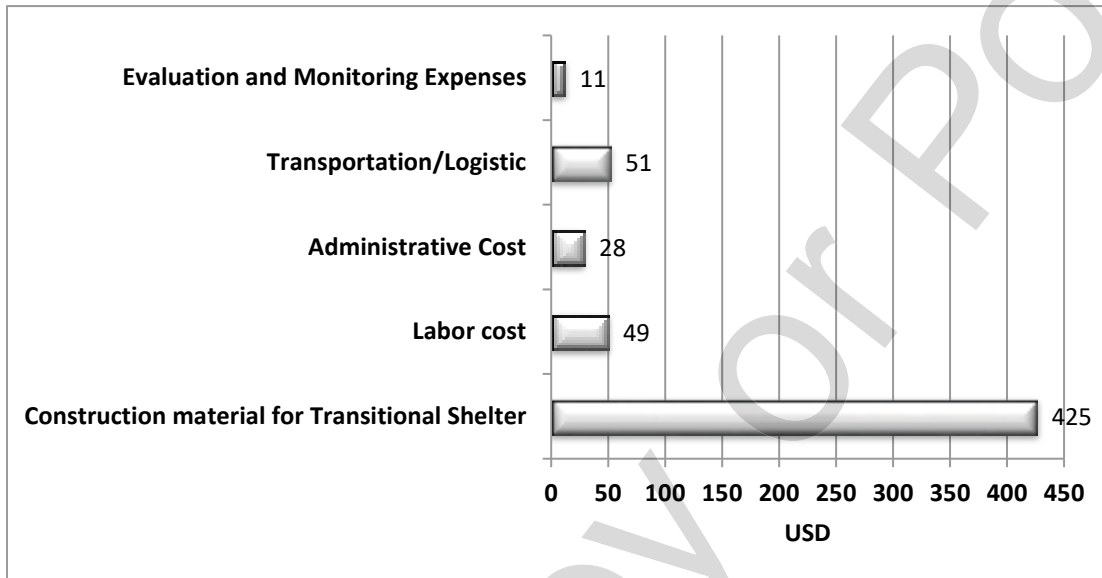
Source: Company documents.

Exhibit 8 Transitional Shelter Design



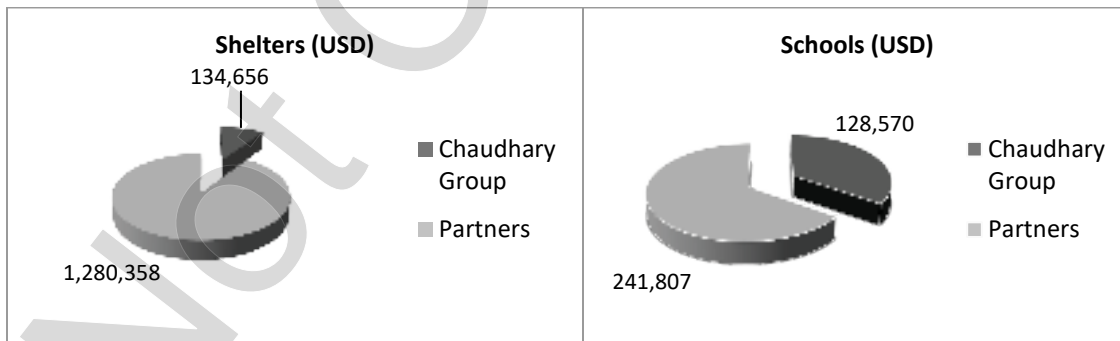
Source: Company documents.

Exhibit 9 Transitional Shelter: Construction Cost



Source: Company documents.

Exhibit 10 Earthquake Relief: Contributions and Donations Received for Building Transitional Shelters and Schools



Source: Company documents.

Exhibit 11 Earthquake Relief Steering Committee: Minutes of the Meeting 19 July 2015

Date: 19 July		Time: 6:00pm – 7:30pm		Venue: TV Summit Floor	
Participants:					
<u>Steering Team</u>				<u>Compliance Team</u>	
Mr. Binod Chaudhary (President)	X			Mr. Chhetri	
Mr. Nirvana Chaudhary (MD)	X			Mr. Ujjain Pargari	X
Mr. Manoj Lee				Ms. Ananya Lakshmi	
<u>Supplier Team</u>				<u>GRPE Team</u>	
Mr. GP Soli				Mr. Madhu Sapkota	X
Mr. Anish Sharma				Mr. Hemesh Sapkota	
Mr. Sural Shukya	X			Mr. Kalyan Bhatt	
<u>School Team</u>				<u>NSB Team</u>	
Ms. Binod Agrawal				Ms. Madina Panji	
<u>Technical Team</u>				Ms. Anjali Salver	
Mr. Prashant Kumar	X			SEEDs	
<u>Telecom Team</u>				Mr. Prady	
Mr. Ranna Sharma					
S.N.	Agenda	Note	Who	When	
1.	SCHOOL TEAM				
		<ul style="list-style-type: none"> • Balance of schools painting started from today and will be completed by another 4 days. • Janajati School will be completed by today across the target date of 27th July. • One school of Belkwa (Kathmandu) school) are held as materials are due to road blockage. • Two schools of Sindhupalchok (Mahendra Kanti School and Kalika Education) have due to transportation issue. • Ajad School, Kavre to be started from today. • Two schools of Boudha (Chandeshwar and Jawahar) are still transportation 			

Source: Company documents.

Endnotes

- ¹ Nation Master, "Country Info-Stats-Geography-Area-Land," Nation Master 2003-2017, accessed May 5, 2017.
- ² Economist Intelligence Unit, Country Report Nepal, March 31 2017, accessed April 2017.
- ³ Nepal, via Factiva, accessed March 2017.
- ⁴ Europa World online, Nepal Country Profile, London, Routledge. Harvard University, accessed April 2017.
- ⁵ Economist Intelligence Unit, Country Report Nepal, March 31 2017, accessed April 2017.
- ⁶ Charles Haviland, "Why is Nepal's New Constitution Controversial," BBC news, September 19, 2015, <http://www.bbc.com/news/world-asia-34280015>, accessed May 2017.
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- ⁸ Nepal Country Commercial Guide.
- ⁹ The World Bank Doing Business, "Ease of Doing Business in Nepal," The World Bank Group, accessed April 2017.
- ¹⁰ Binod Chaudhary, *Making it Big* (India: Penguin Books, 2016), p. 408.
- ¹¹ Elijah Wolfson, "One Year after a Devastating Earthquake, Nepal is Still in Ruins," *Newsweek*, April 21, 2016. <http://www.newsweek.com/2016/04/29/nepal-earthquake-anniversary-2015-gorkha-kathmandu-450449.html>, accessed April 2017.
- ¹² "A list of Some Effects from Nepal's Earthquake 1 year ago," *Daily Mail*, April 21, 2016, <http://www.dailymail.co.uk/wires/ap/article-3551129/A-list-effects-Nepals-earthquake-1-year-ago.html>, accessed April 2017.
- ¹³ Ibid.
- ¹⁴ The World Bank, "National Reconstruction Authority," <https://www.nepalhousingreconstruction.org/sites/nuh/files/2017-03/M8c5wbDtij160619070048.pdf>.
- ¹⁵ Elijah Wolfson, "One Year after a Devastating Earthquake, Nepal is Still in Ruins," *Newsweek*, April 21, 2016. <http://www.newsweek.com/2016/04/29/nepal-earthquake-anniversary-2015-gorkha-kathmandu-450449.html>, accessed April 2017.
- ¹⁶ Thomas A Timberg, *The Marwaris from Jagat Seth to the Birla's* (New York, USA, Penguin Putnam Inc, 2014).
- ¹⁷ Binod Chaudhary, *Making it Big*, (India: Penguin Books, 2016), p. 93-95, 268-272.
- ¹⁸ Company documents.
- ¹⁹ Victor Mallet, "Oodles from Noodles in Nepal," *Financial Times-Asia*, December 2, 2013, <https://www.ft.com/content/28aa6228-4afa-11e3-ac3d-00144feabdc0>, accessed April 2017.
- ²⁰ Binod Chaudhary, *Making it Big* (India: Penguin Books, 2016), p. 288-291.
- ²¹ Ibid.
- ²² Chin Cabrido, "Caught in the Middle," *The Kathmandu Post*, August 17, 2013, <http://kathmandupost.ekantipur.com/printedition/news/2013-08-17/caught-in-the-middle.html>, accessed April 2017.
- ²³ Binod Chaudhary, *Making it Big* (India: Penguin Books, 2016), p. 375-6.
- ²⁴ James Bennett, "Still No Re-building Program One Year since Nepal Earthquake," ABC News, April 21 2016, <http://www.abc.net.au/news/2016-04-21/still-no-rebuilding-program-one-year-since-nepal-earthquake/7344208>, accessed October 2017.