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**NEPAL PEACE SUPPORT PROJECT (NPSP)**  
Cooperative Agreement No. 367-A-00-09-00005-00

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**Final Report to USAID**

Submitted by



**The Asia Foundation**

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## **List of Abbreviations**

|       |  |
|-------|--|
| CA    | Constituent Assembly                               |
| CPA   | Comprehensive Peace Agreement                      |
| LPC   | Local Peace Committee                              |
| MoPR  | Ministry of Peace and Reconstruction               |
| NPSP  | Nepal Peace Support Program                        |
| NTTP  | Nepal Transition to Peace                          |
| TAF   | The Asia Foundation                                |
| TRC   | Truth and Reconciliation Commission                |
| USAID | United States Agency for International Development |
| VDC   | Village Development Committee                      |

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**FINAL REPORT TO USAID**

**I. Executive Summary**

In the month and a half since the project was launched, TAF managed a smooth transition from the previous implementer (Academy for Educational Development) of the Nepal Transition to Peace (NTTP) program as well as the project activities with the Ministry of Peace and Reconstruction (MoPR) and political parties. NTTP conducted a successful strategic planning exercise with international consultants Prof. John Paul Lederach and Prof. John Darby. The session re-energized the NTTP Forum and prepared guidelines for the role of the facilitators over the following months. The planning meeting identified a number of strategic activities for the following six months including high level consultations with the political parties and resumption of NTTP Forum dialogue on key issues, such as constitutional principles, managing ethnic conflicts and activation of transitional justice and peace structures. The facilitators performed their roles in a more effective manner, encouraged senior political party leaders to engage in regular dialogue on key peace process issues, and assisted parties in developing consensus. The NTTP Forum also met every fortnight on an average, hosted two retreats with politicians to resolve deadlocks, and met with top leaders of major parties at times of grave crisis.

TAF worked with the MoPR on Truth and Reconciliation Commission (TRC) bill's regional consultations. With TAF support, MoPR conducted two regional and four cluster consultations with the 221 victims of the Maoist conflict to seek feedback from the concerned stakeholders to improve the proposed bill. TAF assisted the MoPR in conducting a study of the feedbacks and suggestions given by human rights groups and interested individuals, especially victims. TAF provided the MoPR's TRC division with equipment including computers to build capacity. On the LPC side, TAF assisted the MoPR in preparing a detailed manual and implementation directives, carrying out an assessment of LPCs in sample districts, and engaging in a sustained way with the MoPR in planning trainings to the LPCs already present in 62 districts.

TAF expanded the number of political party Peace Units from three to six, which now covers all the largest parties in the Constituent Assembly (CA), and re-energized the functioning of the researchers. The Peace Units researchers analyzed different themes of peace process and constitution writing, conducted three field visits to assess the local situation for their respective parties and provided vital information and data to the Peace Units Coordinators when requested. The Peace Units conducted eleven workshops with their 1157 members of fraternal organizations on relevant themes of peace process and constitution writing to expand the peace constituencies within each party.

Below is a detailed report on each of the three major program activities under the NPSP, beginning with a list of key achievements.

## **II. Goals and Objectives**

The goal of the Project was to advance Nepal's peace process by achieving three core objectives:

1. to maintain and strengthen the NTTP Forum as a center for Track-II agenda setting, dialogue, and negotiation;
2. to support the launch of key Transitional Peace Structures; and
3. to increase the base of support for Peace Units within their political parties.

It is important to note that, while the objectives identified above would be reached through distinct programming tracks, they are nonetheless fundamentally interlinked. For example, the NTTP Forum, as the primary center for dialogue and consensus-building among the political parties, provides a powerful tool to accelerate negotiations over the establishment of the transitional peace structures. The Transitional Peace Structures, once operational, would in turn reduce the burden placed upon the NTTP Forum by channeling policy challenges through dedicated forums. Expanding the support base of the party Peace Units would increase the influence of NTTP Forum members in their respective parties.

TAF's strategy to support the Transitional Peace Structures was to work at both the national and local level. TAF provided technical support and training to emerging Transitional Peace Structures with a national brief, while simultaneously working with local partners to orient and train district-level Local Peace Committees. Finally, TAF would support party Peace Units, focusing on building constituent support within their respective political parties.

## **III. Project Background and Description**

Nepal's transition to peace and democracy remains tenuous. The peace process that started in April 2006 has written an interim constitution, elected a Constituent Assembly to write a new constitution, brought the rebels into parliament, and charted a framework for managing post-conflict stabilization. Even if there has been some delay in the thematic committees writing and submitting the concept papers, the Constituent Assembly is expected to make gradual progress towards developing a new constitution that contributes to long-term stability.

It was critical to strengthen the capacity of Nepal's political actors to navigate contested issues through dialogue and compromise, and to support the functioning of transitional institutions necessary for the consolidation of peace. In response to these challenges, The Asia Foundation's (TAF) proposed project aimed to provide the political parties with access to a stable, trusted mechanism for Track-1.5 dialogue through a strengthened NTTP Forum, and to support robust analysis of the key conflict issues facing the nation through technical assistance to the NTTP Forum as well as to the Peace Units embedded in the major political parties. Lastly, TAF proposed to accelerate the successful launch of transitional structures envisioned in the peace agreement through facilitated Track-1.5 dialogue over the structures' construction and terms of reference, as well as technical and capacity-building assistance aimed at improving the organizational effectiveness and substantive knowledge of these institutions.

USAID's assistance until January 2009 created an important foundation for the consolidation of peace in Nepal. Its support for regular meetings and dialogue within the NTTP Forum established a basis for ongoing Track-1.5 negotiation among the major political actors, while support for the creation of party Peace Units enhanced the capacity of the parties to

understand the technical complexities of key conflict issues and develop negotiating positions and policy responses. Finally, USAID's support for the Peace Secretariat—subsequently the MoPR—helped develop a center of gravity for peace negotiations and implementation, and a core around which other transitional structures can cohere.

### ***Rationale for an Interim Project***

Nepal's peace process was at a critical juncture when the project was launched. Although the country has been free of armed hostilities for three years, the peace has yet to be fully consolidated. Many of the most difficult political challenges remain on the horizon. The issues, such as federal restructuring of the state, the initiation of a national truth and reconciliation process, land reform and the disposition of seized territory, the settlement of Terai unrest, and the integration and rehabilitation of the former combatants, remain unresolved. Continuing support for the institutions established through the National Peace Support Project (NPSP) is vital to maintaining forward momentum in the peace process. Disruptions in the administrative and technical support provided by the NPSP would weaken both the pattern of Track-1.5 negotiation established by the major political parties through the NTTP Forum and delay the deployment of critical transitional peace structures tasked with implementing portions of the Comprehensive Peace Agreement (CPA).

It was in this context, and in response to USAID's RFA dated December 19, 2008, that The Asia Foundation (TAF) proposed this interim project for the period from January 16 to September 30, 2009.

## **IV. Project Achievements and Impacts**

In the 8-month project period, TAF conducted a number of activities:

- The NTTP Forum provided the political parties an effective confidential dialogue space. The Forum remained the only mechanism for dialogue among the parties during crises and deadlocks.
- The role of the NTTP facilitators was increased and it got a wider acceptability among the political parties. In addition to the facilitators' own initiative to reach out to highest level of political leadership across parties to intervene at time of deadlocks, the Prime Minister, President, and other leaders themselves invited the facilitators to assist them more pro-actively.
- When the parties were failing to hold a serious dialogue at a time when the controversy over the issue of civilian supremacy at its height, NTTP was able to host a political dialogue attended by the senior most leaders from the three largest parties. The dialogue prepared a background for further negotiations and generated consensus in principle on the issue of controversy.
- The NTTP Forum increased its legitimacy, relevancy, acceptability and effectiveness as a space for confidential dialogue among the parties.
- The NTTP Forum got the agenda of high level political mechanism endorsed by the major parties.
- TAF assisted the MoPR in conducting two regional and four cluster consultations on the bill of Truth and Reconstruction Commission with the stakeholders.
- Political Parties Peace Units conducted eleven regional workshops on themes of peace process and constitution writing and expanded the peace constituency within the respective parties.

- The NPSP produced comparative position papers on contentious issues of peace process, a matrix of peace agreements implementation review, study of feedbacks on TRC bill, detailed manual of LPC, and other documents for the facilitators, political parties, and MoPR.

**Objective 1: Maintain and strengthen the NTTP Forum as the center for Track-1.5 agenda setting, dialogue, and negotiation**

***Activity 1.1: Continue funding for administrative and logistical support to the NTTP Forum and MoPR***

TAF met its primary objectives of enabling a smooth transition and reactivating NTTP forum activities during the first few weeks. TAF provided the NTTP Forum with technical, logistical, and financial resource support for it to function effectively as a confidential, informal dialogue space. TAF provided support to the MoPR to maintain its webpage, internet services, and books/reference materials.

TAF contracted the existing NTTP facilitators to continue their work for the NTTP process and provided them with all the logistical and technical capacity support through the technical staff and international consultants. As the Maoist-led government fell and a new Cabinet was formed with Mr. Madhav Kumar Nepal of CPN-UML as the Prime Minister, two of the NTTP Forum members became ministers: Mr. Bhim Rawal from the CPN-UML as Home Minister and Dr. Prakash Sharan Mahat from Nepali Congress as Minister for Energy. With this shift, NTTP Forum's assistance to the parties and government in implementing the peace process were more streamlined as the cabinet members worked as a bridge between the decision making body and the NTTP. The facilitators met with the new Minister at MoPR and briefed him about the NTTP. The Minister expressed his commitment to cooperate with the NTTP and promised to consult with the NTTP as needed. Meanwhile, the Secretary at the MoPR was promoted to Chief Secretary of the Cabinet and the MoPR received a new Secretary, Mr. Punya Prasad Neupane, in July. The new Secretary has joined the NTTP Forum as a member and is committed as to the NTTP process as the previous Secretary.

NTTP members, through a retreat in Gokarna in August, identified key issues creating deadlocks in the current peace process. TAF's international consultants, Profs. John Paul Lederach and John Darby, assisted the NTTP facilitators during the retreat. The retreat participants identified key issues of peace process and developed an understanding on a step by step process to address certain matters. They agreed to work on the issue of civilian supremacy by applying the Single Text approach, a widely used negotiations device. In the Single Text approach, the facilitators develop an initial text of agreement, which is circulated to all parties for revision. As all the parties submit their revisions, then the facilitators produce another single revised text. Ultimately, a Single Text is produced through this process which every party owns. At Gokarna, the NTTP performed a test exercise applying the Single Text method on the amending the Army Act as a way of developing an understanding among the key actors on civilian supremacy, the issues that was blocking the legislature-parliament and the formation of the high level political mechanism. The Single Text exercise was put off later as newer and broader issues surfaced in the peace process. However, the exercise has made a positive impact on parties' negotiations as amending the Army Act has become an important option to break the deadlock.

One of the highlights of the NTTP Forum in the last seven months was a high level political dialogue hosted by the facilitators at the height of a political deadlock in September. The dialogue brought together senior leaders of the three largest parties: Acting President of Nepali Congress Sushil Koirala, Vice Presidents of UCPN-Maoist Dr. Baburam Bhattarai, and Narayankaji Shrestha “Prakash”, General Secretary of the UML, Ishwar Pokhrel, and Bhim Rawal, among others. During the dialogue, they agreed to find a mid-way solution on the controversy surrounding the President’s move, but differences remained on whether to mention the President’s Office in the censure motion. They also agreed to form a “permanent” committee for dialogue, starting with the three largest parties and later incorporating the Madhesh and other parties.

The facilitators, along with the NTTP politicians, met with the President, Prime Minister, and other senior leaders to encourage them to work as per the spirit of the peace process. The facilitators, jointly with some other civil society leaders, issued a public appeal to protect the peace process. The facilitators held dozens individual meetings with NTTP politicians and other leaders as a follow up to the periodic NTTP Forum meetings’ understanding.

With differences between political parties escalating in the aftermath of the dismissal of the Army Chief of Staff, Rukmangud Katawal, on May 3, the NTTP facilitators met several times to find ways of breaking the political deadlock. The facilitators met with NTTP politicians and senior leaders of major political parties to urge them to start negotiating a new and inclusive political alliance. While the NTTP Forum appeared convinced that a multi-party mechanism was needed, concrete next steps could not be identified immediately. The Forum decided to review the past agreements and work for a supplementary agreement that could forge a new and inclusive alliance. The Forum advised the MoPR to play a more proactive role starting from activation of the Consultative Committee at the MoPR, LPC formations, and creation of the High Level Peace Commission.

### ***Activity 1.2: Maintain the Forum’s library and resource center***

A local consultant was hired to organize and improve the NTTP Library. A total of 479 books were entered and maintained in the NTTP library on the NPSP office premises which are used by facilitators, NTTP member politicians, researchers and other stakeholders of peace process. The library has been upgraded as a resource center with added books on peace process and constitution writing. The upgraded library has been helpful for the facilitators and NTTP members as a resource especially to know about the international peace process experiences.

### ***Activity 1.3: Conduct an initial strategic planning workshop to develop an agenda for the NTTP for the coming year***

The NTTP met regularly primarily to discuss the management transfer and to formulate its strategic plan in February and March. Mr. Daman Nath Dhungana and Mr. Padma Ratna Tuladhar played a more pro-active role during the last seven months. They received assistance from Prof. John Paul Lederach and Prof. John Darby, the two international consultants for the project, and Mr. Vidhyadhar Mallik, the former Secretary of the MoPR, who assisted the facilitators in their work and produced some analytical reports and mapping of conflict for the NTTP facilitators. The strategy meetings conducted in March with Profs.

Lederach and Darby identified a concise list of strategies to improve the dialogue process and suggested some priority issues to be taken up by the forum in the following months.

***Activity 1.4: Provide the NTTP Forum with funding and logistical support to conduct field visits***

The facilitators conducted five field visits in order to understand the local situation first hand and inform the politicians through the NTTP Forum. They interacted with the local civil society leaders, politicians, intellectuals, and religious leaders in Janakpur, Nepalgunj, Bardia, and Dhangadhi. This activity helped bring the voices and concerns on peace process from the local communities to the national level. The NTTP politicians committed to take the concerns from the field level to their respective parties and address them where possible.

***Activity 1.5: Conduct regularly scheduled expert briefings and sessions on key conflict issues***

TAF organized five expert briefings with experts on key conflict issues. This included strategic sessions with TAF's international consultants, outgoing head of UNMIN Mr. Ian Martin, constitutional lawyers and influential CA members. The experts made their presentations to the NTTP and it helped the facilitators get deeper insights into the nature of deadlocks of the peace process and constitution writing.

**Objective 2: Support the launch of key Transitional Peace Structures**

***Activity 2.1: Conduct briefings within the NTTP Forum in cases of deadlock over technical demands facing transitional peace structures***

The NTTP Forum conducted three briefings on LPCs when the MoPR was not able to move ahead with the implementation of the local peace structure due to lack of political consensus at the national level. Similarly, the Forum conducted two briefings on the TRC as the MoPR was conducting regional and cluster consultations on the proposed bill. The briefings helped generate a certain degree of consensus among the political parties to move ahead.

***Activity 2.2: Provide technical assistance to newly-formed Transitional Peace Structures on relevant conflict issues, as well as on organizational design, management, and oversight***

In partnership with the MoPR, TAF conducted two regional and four cluster consultation meetings on the Truth and Reconciliation Commission bill in Hetauda, Godawari, Udaypur, Ramechhap, Jumla, and Dang. Victims of conflict, political parties and representatives of civil society suggested amendments on the proposed TRC bill in order to make it more responsive to victims' concerns. Minister, State Minister, Secretary and other senior officials from the MoPR attended the programs. TAF funded the participation of victims from each district covered under the region of consultation.

TAF hired local consultant to compile outcomes of the consultation meetings on TRC and to transcribe deliberations of the consultative meetings. The information was used by the MoPR.

In addition, TAF assisted the MoPR in preparing a detailed study of all the feedbacks and suggestions submitted to the Ministry to improve the bill. The study was translated into

English for the wider use of the international community interested in and supporting Nepal's transitional justice process through the MoPR. TAF provided the MoPR with basic equipments (computers, recorder, fax machine etc.) to enhance the capacity of the TRC division of the Ministry.

***Activity 2.3: Conduct orientation sessions on the terms of reference for Local Peace Committees (LPCs)***

The Local Peace Committees have been formed in 62 districts out of 75 as per the new ToR approved by the Cabinet. The MoPR recruited and assigned a secretary each for district with an LPC. However, with the change in the leadership of the cabinet and the MoPR, the LPCs could not be fully functional and the term of the contracted secretaries was not extended. This created a situation of limbo. Thus, the LPCs have not been made fully functional yet. TAF regularly discussed with the minister at the MoPR, the secretary, and other senior officials to plan how training could be conducted for the LPC coordinators and secretaries, awareness raised about their activities, and steps to make the LPCs made more effective. At the request of the MoPR, TAF hired a local consultant to assist in preparing a detailed LPC manual and translate this into Nepali. The Minister requested TAF to help them start a pilot of LPCs in a few Village Development Committees (VDCs) level too. However, due to the fluid leadership situation as the MoPR, TAF could not fully implement its planned activities supporting the LPCs. The planned activities will be implemented in the extended phase of the NPSP.

***Activity 2.4: Train selected LPC members as facilitators***

Rolled over to Phase II (extended phase).

***Activity 2.5: Provide small grants to support post-training activities for LPCs***

Rolled over to Phase II (extended phase).

***Activity 2.6: Conduct experience-sharing workshops***

Rolled over to Phase II (extended phase).

***Activity 2.7: Following the revision of the LPCs' terms of reference, design and broadcast awareness-raising radio programs***

Rolled over to Phase II (extended phase).

**Objective 3: Increase the base of support for Peace Units within political parties**

***Activity 3.1: Conduct intra-party workshops on the role and capabilities of Peace Units***

TAF re-activated and expanded the Peace Units of the political parties in the last seven months. U-CPN-Maoist and Madheshi Janadhikar Forum appointed their Peace Unit researcher in June and Tarai Madhesh Democratic Party also joined the NTTP Peace Unit through its coordinator, Mr. Hridayesh Tripathy. TAF conducted trainings for Peace Unit researchers on research methods and resources. TAF hired two interns, one American and

one Nepali, who assisted the Peace Units researchers in training and preparing the research manual.

The Peace Units organized eleven regional inter-party workshops. The workshops had various resource persons and experts presenting papers on themes of federalism, constitution making and peace process. The objective of these workshops was to widen the peace constituency within each party and help them understand issues related to the peace process and constitution writing. The Peace Units researchers have been assisting the NTTP member politicians of the respective parties with research, analysis, data collection and other related technical works. The interns also assisted the Peace Units researchers in compiling research data and analyses.

The researchers met almost every week to coordinate research activities and provide regular data and analysis to their respective parties. The Peace Units researchers conducted two field visits in Dang and Chitwan districts. They carried out research on the implementation of the CPA and the emerging political situation at the local level.

## **V. Issues and Challenges**

Not surprisingly, the discord between political parties in the broader political landscape affected the NTTP Forum's ability to push the dialogue process forward. Thus, there was a need to proactively address this issue both within and outside of the NTTP forum. The facilitators tried their best to reach out to high-level political leadership outside the NTTP Forum, including the prime minister, president, party chiefs, the chairman of the CA, and other important leaders. However, the resignation of the Maoist Prime Minister Pushpa Kamal Dahal 'Prachanda' and the lingering issue of civilian supremacy widened the gap of distrust among the parties despite the NTTP efforts to encourage dialogue among the parties and promote consensus. The formation of the LPCs was delayed and even after they were formed, difficulties remained in making them functional due to leadership changes at the MoPR. The LPC secretaries recruited by the previous government were not given an extension of term by the new government, which caused a serious damage to the smooth functioning of the bodies. On the TRC bill, it was encouraging that the MoPR carried out regional and cluster consultations to seek feedback from the stakeholders. However, no consensus exists on the political level about establishing a concrete timeframe to form the Commission

The primary challenge of the peace process is the timely completion and promulgation of the new constitution, which has been delayed repeatedly due to the political deadlocks on power sharing. This situation will have an adversarial impact on efforts to generate consensus on key issues like integration and rehabilitation of the Maoist combatants, the model of federal units, and form of state administration (state restructuring). If the constitution is not promulgated on time, the peace process will not be concluded and the country will enter a phase of further chaos. Finally, the increasing number of armed groups in the Tarai and elsewhere will pose a continued challenge to achieving sustainable peace at the local level.