

USAID/OTI Nepal Field Report

Apr - Jun 2007

Program Description

In August 2006, the U.S. Agency for International Development's Office of Transition Initiatives (OTI) began a program in Nepal to support the country's peaceful transition to democracy. OTI complements programs of the USAID Mission to Nepal by supporting the following objectives:

1. Increasing the public's access to information and diversifying public debate on issues critical to Nepal's political transition, and
2. Increasing the effectiveness of key political transition institutions.

OTI/Nepal's implementing partner is Chemonics International Inc., and the FY 2007 budget is \$6,395,000. The OTI program provides small grants and short-term technical assistance to achieve its objectives in Nepal.

Country Situation

The April-June 2007 reporting period covers the third full quarter since OTI started its program in Nepal. The period also marked the end of the first year since the April 2006 public uprisings (Jana Andolan II) yielded a coalition government. In addition, it encompasses the half-year mark since the signing of the November 21, 2006, Comprehensive Peace Agreement (CPA), in which the Maoists joined the governing coalition, ending an 11-year armed insurgency. The CPA provides the overall framework for the political transition process which the OTI/Nepal program is supporting.

Maoists Inducted in Government and Elections - On April 1, 2007, a new government, which includes the Maoists, was sworn in. Girija Prasad Koirala was sworn in as the Prime Minister for the sixth time. The reformulated cabinet included Maoists in five cabinet posts: Ministries of Information and Communications; Physical Planning and Works; Rural Development; Women, Children and Social Welfare; and Forest and Soil-Conservation. Maoist Communications Minister Mahara was appointed as the government spokesperson. The interim government announced a date of June 20, 2007, for elections of a Constituent Assembly (CA) that would draw up a new constitution to establish a permanent government. However, on April 13, the Chief Election Commissioner declared that it was not technically feasible to meet the June election date. Following weeks of political deadlock within the ruling government coalition, the date of November 22, 2007, was announced for the elections.

Progress of the Peace Process - During the reporting period, Nepal's interim legislature amended the interim constitution to provide for basic abolition of the monarchy and removal of the Prime Minister from office with a two-thirds majority vote. The interim legislature also passed legislation enabling the CA elections to include a mixed-allotment system, combining first-past-the-post and proportional representation. Prominent minority group civil society organizations, such as the Nepal Federation of Indigenous Nationalities (NEFIN) and the Madhesi People's Rights Forum (MPRF), continue to oppose the mixed system through organized protests. These organizations are demanding a fully proportional system. In addition, the MPRF has rejected the government's proposed delimitation of constituencies and has put forward alternative boundaries that the government is currently reviewing. By early April, initial organizational stages of the arms management process under the CPA were completed. The second phase of this process - verification of the more than 30,000 combatants - commenced on June 19, and by month's end, the first sites (in the Terai's Ilam District) were verified. It should be noted that a large number of combatants (estimates range from 9,000 to 13,000) are minors.

Law and Order Conditions in the Terai Worsen - The central and eastern Terai have seen a continued deterioration in security. Several armed groups, including Maoist splinter groups, have increased their activities. On June 1, the Home Ministry reported that at least nine armed political groups were operating in the Terai, and an increased number of politically motivated murders, abductions, and threats have been reported. Strikes called by

various political groups have crippled transportation and business, and delivery of basic government services has been periodically disrupted. Many of the Pahadi (ethnic hills people) government employees have fled the Terai due to threats. While the Home Ministry has vowed to take stern action to improve security in the Terai, further deterioration could pose a threat to the viability of the November CA election process.

Maoist Violations Continue - This past quarter has seen an increase in instances of Maoist violations of the CPA. The Young Communist League (YCL), a youth wing of the Maoists, has engaged in extortions, abductions, and killings. Several groups have retaliated by killing YCL members in the Terai. On June 26, the U.N. Mission in Nepal submitted a memo to Maoist leader Prachanda expressing grave concern over YCL activities. Major political parties and the Prime Minister have spoken out openly against YCL activities.

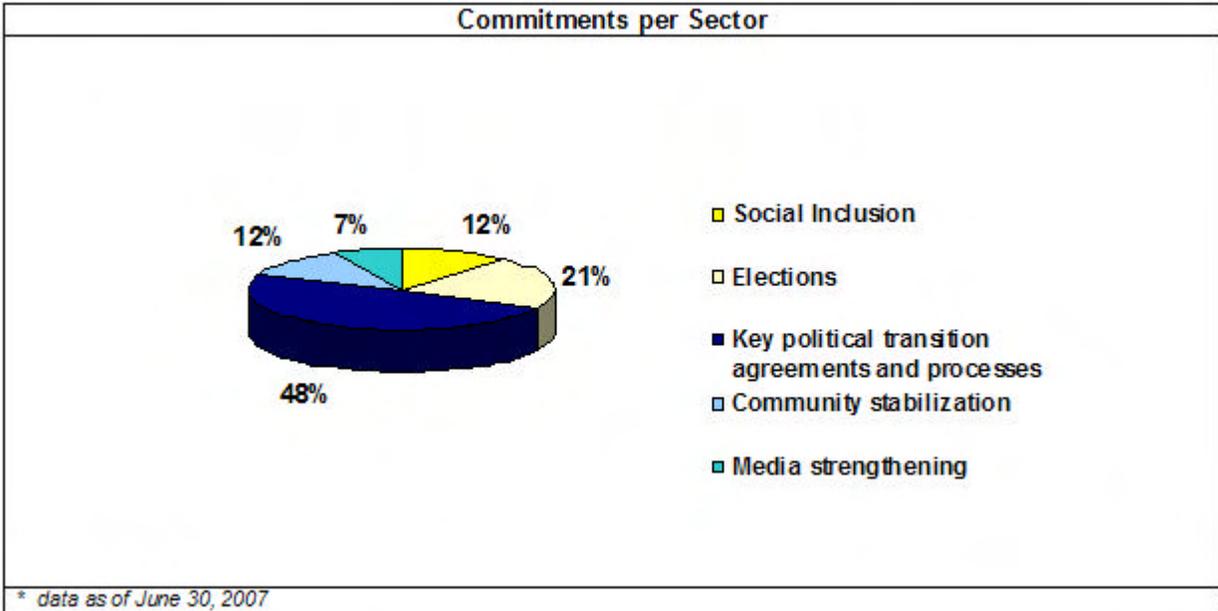
OTI Highlights

A. Narrative Summary

During the quarter, OTI approved 21 new activities with grants totaling \$733,869. Since August 2006, OTI has funded a total of 62 small-grant activities, totaling \$2,149,259. As reflected in the following table and graphic, OTI activities are distributed among five main sectors: key political transition agreements and processes (48 percent), elections (21 percent), social inclusion (12 percent), community stabilization (12 percent), and media strengthening (7 percent).

Grants Approval Summary

| Sector | Grants Cleared April - June 2007 | Estimated Budget for Grants Cleared April - June 2007 | Total Grants Cleared | Total Estimated Budget for Grants Cleared Since August 2006 |
|---------------------------------------------------|----------------------------------|-------------------------------------------------------|----------------------|-------------------------------------------------------------|
| Social inclusion | 5 | \$146,480 | 10 | \$249,846 |
| Elections | 1 | \$38,895 | 6 | \$454,970 |
| Key political transition agreements and processes | 9 | \$337,903 | 35 | \$1,036,796 |
| Community stabilization | 4 | \$121,014 | 7 | \$253,211 |
| Media strengthening | 2 | \$89,577 | 4 | \$154,436 |
| Total | 21 | \$733,869 | 62 | \$2,149,259 |



B. Grant Activity

1. Responding to the Terai's deteriorating situation amid growing ethnic tensions and expressions of frustration by minority groups, OTI focused much of its attention during this reporting period on activities to promote social inclusion and communal harmony in the Terai. Activities that were Terai-specific included CPA awareness campaigns, workshops to identify Madhesi issues and articulate them at the national level, model parliaments in the Terai, and initiatives to advocate for Dalit rights. (The Dalits are a historically marginalized Hindu caste referred to as "untouchables" by higher castes.) A media-monitoring project evaluating the media's role during recent incidents in the Terai was successfully conducted and the report will be publicly released. Also, as the unrest and violence in the Terai threaten to destabilize the peace process, OTI has decided to place a field office in the eastern Terai's Sunsari District. The office will be officially opened in July.
2. OTI has continued to focus on media strengthening as one of the key elements of its programming. The mobile "doko" radio program has taken radio to remote radio-blind areas. The activity has received a very positive response, and it has proved useful in disseminating information on key political agreements and processes. Following on this success, OTI will fund the establishment of a permanent radio station in Humla in the Karnali Zone, a remote area where Maoists recently have been accused of killing a representative from a rival political party. Similarly, assistance was provided to Communications Corner to improve the technological capacity of 23 local FM radio stations and link them into the communications network established with OTI support earlier in the year. A fact-finding mission on the role of media and conflict in the Terai has also been completed.
3. Activities to raise grassroots awareness of the aims and processes of the CPA - and especially issues concerning the Constituent Assembly - continued as an important focus area. Following the success of the CPA awareness campaigns in the far west and the rural areas of the Lalitpur district, which adjoins Kathmandu, similar activities were approved and launched in the Terai. These activities used the services and facilities of organizations such as forest user groups and human rights groups with strong community-level credentials. OTI supported the production and distribution of an additional 55,000 copies of the CPA through nongovernmental organization partners.
4. OTI-supported activities enabled monitoring of CPA violations in areas around cantonments. A new activity provides substantial augmentation of limited U.N. monitoring capacity and will support monitoring of CPA violations in all five development regions, targeting five key districts, as well as a rapid response team for deployment to crisis areas.
5. OTI expanded its activities to mobilize youth for constructive participation in the current political transition

process. These activities included a weekly youth TV talk show and workshops and dialogues involving and targeting youth. Various youth groups such as the Association of Youth Organisation Nepal, Creation of Creative Society, and Steps to Progressive Society Nepal were involved in campaigns to raise awareness and engage youth within Nepal through dialogues, debates, and mural paintings.

6. OTI provided funds for information dissemination and technological support to the Election Commission (EC), the Nepal Law Commission, and the National Human Rights Commission. A group of constitutional lawyers were funded to organize workshops on constitutional issues in the lead up to the CA elections. Senior political leaders, who have since advised on the terms of reference for the Nepali Truth and Reconciliation Commission (TRC), were supported on a study tour to the United Nations and the International Center for Transitional Justice in New York, and also to Peru, where a TRC is operational. Apart from directly assisting the EC, one recent grant looked at the effectiveness of the EC's voter registration process by conducting a survey of households in 66 of the 75 districts of Nepal. The survey results were made public in a press conference and will help the EC fine-tune future registration efforts.

C. Indicators of Success

Re-targeting/Flexibility

OTI re-targeted areas of emphasis during this reporting period to address emerging issues. This refocusing included a shift in geographic concentration to address increased tensions in the Terai (including the decision to establish a field office) and to support activities addressing a new and disturbing increase in ethnic tensions.

Resource Leveraging

OTI continues to leverage the resources of grantees. For example, Communications Corner is providing up to one-fourth of the funding for a radio station project. Similarly, Jaghrit Nepal, the organization promoting communal harmony through local-level dialogues in the Terai, is covering 10 percent of the project costs with its own resources.

Indicators of Impact

An activity in Nepalgunj in the Banke District brought community representatives and police together to bridge gaps in confidence and cooperation. During the workshop, police and civil society representatives agreed that the two groups should meet regularly to discuss security issues. The weekly meetings have continued to be held in the month since the workshop, with participants reporting an easing in community-police tensions and increased community confidence that security issues are being addressed.

The Academy for Educational Development-organized visit to New York City and Peru has informed some of the initial TRC policy processes. Upon returning, the participants briefed party leaders about their findings on the TRC process and transitional justice. The Ministry of Peace and Reconstruction organized a broad interaction program on TRC and transitional justice, giving tour participants a forum to share their experiences and discuss lessons learned and how these lessons apply in the Nepali context. The meetings were attended by almost all Ministry officials, including the technical committee formed to prepare a TRC draft. Minister Ram Chandra Poudel held a special meeting with tour participants and was briefed on their experiences and learning. The tour participants have been consulted on the terms of reference for Nepal's TRC.

Next Steps/Immediate Priorities

Emergent issues:

- Constituent Assembly Elections, November 2007. Activities to support elections, worth approximately \$600,000, are under development.
- Local Peace Committees may start to form in the next quarter.
- Continued unrest and violence in the Terai is predicted, warranting special programmatic focus.
- YCL and Maoist violence continues, warranting programmatic attention.

USAID/OTI Nepal will:

- Open and fully staff a field office in Itahari, Sunsari District, Eastern Terai.
- Develop activities in support of the CA elections in November.
- Evaluate political developments and prioritize activity development on key transition areas.
- Maintain activity development that is responsive to political and conflict issues in the Terai.
- Assess, and refine as necessary, OTI/Nepal media activities.
- Continue to support programming that targets youth.
- Support the Local Peace Committees, if they become functional.
- Continue to identify gaps in roles and responsibilities of the team and fine-tune the operational aspects of implementation.