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STRENGTHENED RULE OF LAW AND RESPECT FOR HUMAN RIGHTS IN NEPAL

ANNUAL REPORT: 1 OCTOBER 2005
THROUGH 30 SEPTEMBER 2006

31 OCTOBER 2006

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS AND ABBREVIATIONS

ACA	Anti-Corruption Agency (ACA)
AG	Attorney General
CIAA	Commission for the Investigation of Abuse of Authority
CPIB	Corruption Practices Investigation Bureau - Singapore
DANIDA	Danish Cooperation
DFID	Department for International Development (U.K.)
DG	Democracy & Governance
EU	European Union
FNCCI	Federation of Nepalese Chambers of Commerce & Industry
FY	Fiscal Year
JC	Judicial Council
KSL	Kathmandu Law School
MLJP	Ministry of Law Justice and Parliamentary Affairs
NBA	Nepal Bar Association
NGO	Non-government Organization
NJA	National Judicial Academy
NPC	Nepal Planning Commission
NVC	National Vigilance Center
PY	Project Year
OAG	Office of the Attorney General
ROL	Rule of Law
ROL-AC	Rule of Law - Anti-corruption
SC	Special Court
TI	Transparency International
TI/N	Transparency International of Nepal
UNDP	United Nations Development Program
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

STRENGTHENED RULE OF LAW AND RESPECT FOR HUMAN RIGHTS

- During PY 05-06, there were two judicial tours, one to Washington, DC, and one to Boston, Massachusetts, during which Supreme Court Justices, lower court judges, and court staff learned about court-connected mediation, court and bar relations, case administration, time management, judicial ethics, and judicial independence.
- The Project supported case briefing projects at the Supreme Court for the purpose of reducing case backlogs. The Project also supported training for court staff in software and computer maintenance and supported a data entry program using data from the case briefing projects.
- The Project worked with the Lalitpur District Court, Special Court, and Parsa District Court to improve court archives and supported development of a software program for archiving.
- The Project supported development of case tracking software at the Lalitpur District Court and the Special Court, and prepared Case Tracking Guidelines for use by staff at the two courts.
- In addition to photographic documentation of court infrastructure, the Project supplied furniture, computers, printers, and office equipment to the Lalitpur District Court and the Patan Appellate Court.
- The Project supported publication of 13 volumes of Supreme Court Decisions. This was the first time that Supreme Court Decisions having precedential value were reviewed and published with an analysis.
- During PY 05-06, the Project Staff and an international consultant began development of a public defender system. This included meeting with Supreme Court staff, lawyers currently providing legal aid to indigents under court-regulated programs, the Legal Aid Act - 1997, and civil organizations providing legal aid. An implementation plan was developed for a legal aid pilot project in Kathmandu Valley and included organizing a Public Defenders' Board to oversee the pilot project.
- Court-connected mediation activities were a substantial part of the Project's activities during PY 05-06. These activities included
 - 56 hours of mediation training for 80 individuals;
 - organizing mediation centers at the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), the Supreme Court, and the Patan Appellate Court;
 - training mediation center staff in procedures for operating mediation centers; and
 - assisting with the drafting of court regulations for court-connected mediation, court guidelines for mediation, and court forms for implementing guidelines.
- The Project entered into a Memorandum of Understanding (MOU) with FNCCI to support staff for the mediation center and to support marketing FNCCI's mediation services. A Nepal Mediators' Society was organized. Brochures on mediation were developed and printed for general distribution by the courts, Nepal Bar Association, and FNCCI.

- During PY 05-06, the Project focused on case backlog at the Special Court and entered into a contract with the Kathmandu School of Law for an assessment of 30 Special Court cases to determine the reasons for delay and build-up of the case backlog.
- The Project also worked extensively with the Judges' Society Nepal. During PY 05-06 the Judges' Society became active with the election of new offices, expanded membership, and several activities. The Judges' Society co-sponsored the Project's mediation training activities for judges and was instrumental in drafting the court regulations on mediation, court guidelines for mediation, and the mediation forms for the court mediation centers.
- During PY 05-06, the Project worked to develop women's activities and to improve their participation in the Nepal legal system. A Coordinating Committee of Women Legal Professionals was organized. The Project supported a meeting of women members of the Nepal Bar Association and, during the year, made several presentations on mediation to women members of the Nepal Bar Association.
- During PY 05-06, the Project assisted the National Judicial Academy with finalizing its strategic plan and a training assessment.

MORE TRANSPARENT, ACCOUNTABLE, AND EFFECTIVE GOVERNANCE

- One of the Project's major activities during PY 05-06 was continuation of the regional anti-corruption conferences and development of Local Coordination Forums to follow up on recommendations made by the anti-corruption conferences in Birgunj, Biratnagar, Pokhara, Nepalgunj, and Dhangadhi. Local Coordination Forums with representatives from local government offices, businesses, and civil society organizations were formed in the anti-corruption conference locations. A workshop was held to train Local Coordination Forum members in anti-corruption activities.
- The Project supported a song-writing competition by women. Songs were written about corruption and the impact of corruption on women. The songs were sung during a program organized by a local women's group to celebrate a local holiday.
- The Project supported workshops in Pokhara and Kathmandu on investigative journalism. The project co-coordinator and co-founder of the Romanian Center for Investigative Journalism, Paul Radu, was the principal lecturer. Participants were selected for the Pokhara workshop by the Mechi Mahakali Media Society, and for the Kathmandu workshop, by the Nepal Institute for Professional Journalism and Communication Studies.
- The Project organized an information tour for CIAA, NVC, and OAG officials and senior staff. They visited Singapore's Corrupt Practices Investigation Bureau and Malaysia's Anti-Corruption Agency where they met with senior officials of the two agencies and discussed anti-corruption strategies and programs for fighting corruption.
- The Project provided financial support for the publication of "Seven Special Court Decisions on Disproportionate Property." The publication was presented at the CIAA annual recognition day. Five hundred copies were printed and distributed.
- The Project provided financial support for filming and distributing two 2-minute public service spots highlighting the CIAA's activities.
- During PY 05-06, strategic plans for the OAG and NVC were finalized.

GRANTS PROGRAM

- During PY 05-06, Project staff worked with 13 grantees. Two workshops were held in which each grantee gave a brief overview of its activities. Project staff visited grantee activities and offices to review and critique grantee activities. Project staff visited grantee offices to review and assist on compliance with grant procedures including compliance with financial requirements. Grantees were active in a number of programs including capacity building and sensitization workshops, legal aid for disenfranchised groups, radio and TV programs, and public interest litigation. A number of grantee publications were prepared and distributed.

ADMINISTRATIVE ACTIVITIES

- The “Rule of Law and Human Rights in Nepal: Opinion Poll” was finalized and the results made available.

I.0 STRENGTHENED RULE OF LAW AND RESPECT FOR HUMAN RIGHTS

I.1 NEPAL COURT ACTIVITIES

I.1.1 Activity: Streamline and Strengthen Management Capacity of Judiciary

During Project Year 05-06, the Supreme Court prepared its “ICT Implementation in Judiciary” plan for automation of the Nepal Judicial System. The Court—at its initiative and with minimal assistance from donors—developed a basic case tracking system as a first step in the automation plan. It also purchased and installed 300 computers at the Supreme Court which are linked by a networking system. Under the Court’s “ICT Implementation in Judiciary,” a full case and court automation system will be in place by the year 2010.

I. Judicial Tours: During Project Year 05-06, the Project supported two study and observation trips for Nepal judges and court staff.

In February 2006, four Justices from the Nepal Supreme Court traveled to Washington, DC. The trip gave the justices an opportunity to meet with local judges, observe court-connected mediation, discuss court/bar relations, and discuss judicial training. For the Washington Tour agenda, see [Attachment A](#).

In July 2006, two Supreme Court justices, one Special Court judge, two Courts of Appeal judges, two District Court judges, and three court registrars participated in an observation and study tour organized by the Massachusetts Judges Conference and Judge Patrick King.¹ The tour was originally planned for 22 April – 1 May 2006 but was cancelled at the very last minute because of civil unrest in Nepal. The trip was rescheduled and took place in July 2006. The 10 participants left Nepal on 8 July 2006 for a week of meetings and discussions in Boston, Massachusetts. The tour gave the participants an opportunity to meet with local judges and court staff, learn about court management and administration, case management, time management, court-connected mediation, judicial ethics, judicial discipline, judicial independence, and judicial training. For the Boston Tour Agenda, see [Attachment B](#).



¹ Judge Patrick King was a consultant on court-related mediation in Nepal under a contract with ARD and worked on the mediation program.

2. Case Briefing: The Project supported a case briefing program at the Supreme Court for briefing cases that had been pending for five years or more.² The Court has successfully reduced the number of five-year old-or-more cases outstanding. Approximately 104 cases remain for decision. The remaining cases need further documentation, which the Court is attempting to obtain.

Year (PY Yearend)	Number of Cases Backlogged	Percentage Reduction
2004	1,400	n/a
2005	655	-53%
2006	104	-95 %

3. Case Information: The Project entered into a Memorandum of Understanding (MOU) with the Supreme Court to provide assistance for organizing the information in approximately 17,000 case files which have been pending for about three years. The MOU provided for training the Writs and Litigation Division Staff in techniques for organizing the information in the required format. In preparation for the training, the Court developed a checklist for Writ Cases that included 21 administrative actions and a checklist for Appeal and Revision Cases that included 26 administrative actions. The Court also developed a Case File Inspection Form for use in reviewing the files. The checklists were used by the training participants and are now a tool regularly used by the division staff. The Case File Inspection Form also serves as a tool for supervising and monitoring staff actions in processing cases. The Court provided senior staff who supervised the training and support staff that located case files for review and re-filed case files after review. As part of the On-the-Job Training (OJT), the training participants reviewed case files, identified administrative lapses and problems which required further activity, reported lapses and problems to senior staff for further action, updated and recorded due dates and maturity dates for documents, and organized the files for more efficient review by judges hearing the cases.

Files Reviewed	14,217	
Training Staff (Supervisors)	14	
Support Staff	10	
Staff Trained	Male	Female
	43	4

Project staff evaluated the case briefing program shortly after its completion. The 47 training participants were asked to indicate how frequently they used certain skills learned in the OJT in their daily work. The responses were tabulated and appear in Table 3 below.

Staff Action	Used Daily	Used Often	Not Often Used
1. Identify required administrative action, e.g., letters requesting transcripts or documents, serving notice	44	3	0
2. Organize cases files/registers in proper order	46	0	1
3. Organize and compile administrative transcripts or documents for easy reference	46	1	0
4. Identify and categorize case files for final hearing	45	1	1

The participants were also asked the following:

1. To identify the problems or difficulties faced during the OJT training.
2. How they intended to use the training.
3. How the OJT could be improved.

² See 2nd Quarter Report – April-May 2005, page 7. When the Project began discussing case briefing, the Court estimated about 1,400 cases. When the details of the case briefing activity were finalized and the MOU signed, the actual number was 1,036 backlogged cases.

Responses to Number 1 included:

- Difficulty in working early mornings and late evenings.³
- Court orders for documents from other sources were not sufficiently specific to allow the trainee to identify the document or the source.
- Asked to review too many files at one time.

Responses to Number 2 included:

- To improve efficiency in daily work.
- Address mistakes and lapses in administrative processes quicker.
- Ability to more critically examine case file documents.

Responses to Number 3 included:

- Training on a more regular schedule.
- Monitoring and follow-up should be done on a regular basis.
- Reimbursement for meals and transportation at odd hours did not cover actual costs.

Case disposition of the reviewed files increased from 529 cases per month to 890 cases per month.

4. Data Entry: In March 2006, the Project entered into a MOU with the Supreme Court to provide assistance on entering data into the Court's newly installed automated case management system. The data entered will be the data prepared under the case information project discussed above. Once the data is entered, the system will be able to track cases and prepare reports such as case aging reports and cases decided by each judge.

5. Case Tracking: In PY 05-06, the Project entered into a contract with TechMinds Communication Pvt. Ltd. ("TechMinds"), a local software company, to develop, install, and debug case tracking software at the Lalitpur District Court and the Special Court. The contract also provides for training the staff at both courts in operation of the software and in maintenance of computers and software.

The software will record the movement of a case through the court to a final decision. Cases are registered by assigning a case number and entering information about the case such as the plaintiffs and defendants, hearing dates are entered as they are set, and dates of decision or other disposal information is entered. Staff can search for information and prepared reports by using the following:

- a list of all pending cases;
- description of the case, number of cases at any stage (e.g., first hearing);
- plaintiff's or defendant's name, address, etc.; or
- case type (e.g., divorce, murder, etc.).

The software allows court staff to monitor the movement of a case and to identify cases that are not moving and the reasons for the delay. It also allows the court staff to obtain specific details such as a list of all pending cases. For a summary of the software, see [Attachment C](#).

The Project Staff prepared Case Tracking Guidelines for the Special Court and Lalitpur District Court. These guidelines are a combination of forms, recommendations, analysis, and reports prepared by Fred Humphreys, International Consultant, during his two trips in PY 04-05. Project Staff have discussed the Case Tracking Guidelines with the two courts and have urged the Courts to formally adopt them as court regulations. For

³ The training was conducted before regular work hours, after the court closed and during holidays.

the Case Tracking Guidelines for the Special Court, see [Attachment D](#). For the Case Tracking Guidelines for the Lalitpur District Court, see [Attachment E](#). Both attachments are in Nepali.

1.1.2 Activity: Logistical Support

1. Photo Documentation: One of the Project’s activities has been the photo documentation of court buildings with the intent to use the photos in a campaign to increase government funding for the courts. During PY 05-06, brochures were designed using the photos and a video was started. For copies of the brochures, see [Attachment F](#) and [Attachment F-1](#).⁴

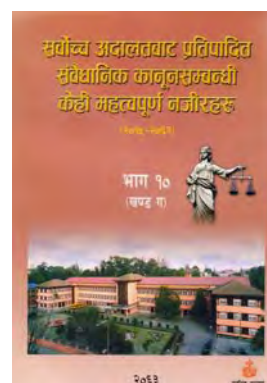
2. Patan Appellate Court: During PY 05-06, the Project and the Court executed an MOU under which the Court committed to make building repairs, upgrade toilets, remove old cars and other litter on the court premises, and perform other maintenance over a two-year period. The Project committed to provide furnishings, computers, and office equipment. The first-year repairs and maintenance have been completed and the Project has supplied the furnishings, computers, and office equipment.



Repairs and Maintenance at Patan Appellate Court

3. Publication of Decisions: In recognition of its 50th Anniversary, the Supreme Court decided to publish important and precedential Court decisions and asked the Project for financial support for the printing. A committee of NBA members and Supreme Court Justices reviewed 11 categories of prior decisions and selected important or precedential decisions for publication in each category. The committee also prepared a brief analysis of each decision. The 11 categories of decisions are:

- Evidence
- Procedure
- National Code and Family Law
- Immovable Property
- Movable Property
- Industry, Banking and Commercial Sector
- Criminal Cases
- Constitutional Law
- Civil Servants
- Public Welfare
- Miscellaneous Cases.



Supreme Court Publication Cover

Each topic had one volume with the exception of “Constitutional Law” which required three volumes, and “Civil Servants” which required two volumes. One thousand copies of each volume were printed. The books will be sold by the Court and the proceeds used to finance additional printing and additional topics.

⁴ Included in the intended campaign was a plan to lobby donors for support for improved infrastructure. However, due to the current political environment, many of the donors are shifting their attention to political activities. Consequently, that part of the campaign focusing on international donors has been put on hold.

This is the first time that decisions having important or precedential value have been gathered together and published with an analysis of the nature, scope, and evolution of the precedents.

During PY 05-06, the Project continued to monitor the average period of time for disposal of cases at the Special Court and the Lalitpur District Court. The table below records the change in the average time for disposal of Special Court Cases.⁵

TABLE 4: THE SPECIAL COURT TIME SERIES DATA OF CASES SELECTED FOR BASELINE SURVEY

NATURE OF CASE	BASELINE TIME FOR DISPOSAL OF A CASE	AV. TIME FOR DISPOSAL IN 2006
File Corruption	37 Months	22 Months
Fake Certificate	9 Months	7 Months
Disproportionate Property	24 Months	23 Months
Bribe	13 Months	9 Months

The change in the average time of disposal of file corruption cases is due to the fact that during the period covered by the baseline, the Special Court was struggling to resolve cases that had been transferred by the appellate courts. Consequently, the baseline for the corruption cases included the time that the cases had been pending in appellate courts. The average time for disposal of cases in 2006 dropped significantly because the Special Court was then deciding cases that were initially filed in the Special Court.

1.1.3 Activity: Strengthen Justice Sector Appointment, Promotion, and Recruitment

During the project year, the Supreme Court of Nepal completed an Office & Management Survey that reviewed and recommended changes in staffing and duties. With financial support from the Project, the Supreme Court organized a workshop on 22 November 2005 at which it presented the survey’s findings and recommendations. Judge Prem Sharma, Butwal Court of Appeal, presented the survey’s findings and recommendations. For a summary of the findings and recommendations, see the 4th Quarter Report.

The Survey’s findings and recommendations and the comments from the workshop were sent to the government for approval. The Project intends to assist the Supreme Court with implementation as soon as the government approves the findings and recommendations.⁶

1.1.4 Activity: Develop a Scientific Central Archive System for the Courts

1. Archiving: During PY 05-06, the Project supported improving the archives at the Special Court, the Lalitpur District Court, Patan Appellate Court, and Parsa District Court (Birgunj), and entered into an MOU with the Supreme Court to improve Supreme Court archives. The Project supported an On-The-Job Training Program (“OJT”) in each of the courts. OJT gave a brief overview of archiving and outlined the activities as

⁵ The table showing the baseline figures can be seen in the Annual Report (1 October 2004 – 30 September 2006), 1.1.1 Activity: Streamline and Strengthen Management Capacity of Judiciary, page 5.

⁶ The government has not yet given approval.

detailed in the Archiving Manual developed by the Project’s consultant.⁷ Court staff, with supervision from senior court staff, then purged the files of extraneous and outdated documents in accordance with retention requirements, returned files borrowed from other government agencies, cleared and repaired files, organized the data in new file folders, and boxed the files. The Project provided stationery, file folders, file boxes, shelving, and fire extinguishers for the archive rooms.

TABLE 5: ARCHIVING ACTIVITIES**

Court	Files Returned	Files Repaired, Purged & Boxed**	Man Days Spent
Lalitpur District	2,000	46,000	1,323
Special Court	n/a	700	48
Patan Appellate		59,700	1,664
Parsa District++		26,000	1,114

** Note that figures are approximate numbers based on best count
 ++ The archiving at Parsa District Court is not finished and the figures reflect activity through 15 October 2006

2. Archiving Software: The Project has entered into a contract with TechMinds Communication Pvt. Ltd., a local computer and software company for development and installation of archiving software at the Special Court and the Lalitpur District Court. The software would create an automated register of archived files. In addition to developing the software, TechMinds would train court staffs at the two courts on

- how to use the software,
- data entry in the software, and
- maintenance of the software and computers.

1.1.5 Activity: Institutionalize the Legal Aid Program for the Indigent and Disadvantaged

During PY 04-05, the Project commissioned a report on legal aid. The report confirmed that Nepalis have four sources of legal aid which are

- (1) Stipendary lawyers⁸ appointed by the courts,
- (2) Central and District Legal Aid Committees established under the Legal Aid Act of 1997,
- (3) The Nepal Bar Association (NBA) under a program funded by the Norwegian Bar Association and the European Union, and
- (4) Civil society organizations.⁹

⁷ See Annual Report I (October 2004 – 30 September 2005), 1.1.5 Activity: Develop a Scientific Central Archive system for the Courts, page 8.

⁸ Stipendary Lawyers are appointed to represent indigent criminal defendants in Nepali courts. They have a one-year appointment and are paid a nominal monthly sum of NRs 2000.

⁹ For a full discussion of the four types and legal aid in Nepal, see “Study of the Current Legal Aid System in Nepal,” Law Associates Nepal, 2 September 2005, a study commissioned by the ARD Rule of Law Project.

The report concluded that although there is legal aid, it is not available in all parts of Nepal. It also found that many indigents and disadvantaged either are not aware of their right to legal aid or, if they are, they do not know how to apply for or get legal aid. The report recommended that a public defender system be established.

Stephen Mackenzie, International Consultant, arrived in May to work on developing a public defenders' program in Nepal. During the May trip, he met with many of the legal aid providers (e.g., Nepal Bar Association, LAAC, AJAR, etc.), the Registrar of the Supreme Court, stipendary lawyers, and government attorneys, and discussed organizing a public defender system in Nepal. After the series of meetings, Mr. MacKenzie organized a consultation workshop with representatives from the various organizations engaged in providing legal aid. At the workshop, many of the participants raised questions about a public defender's office and its impact on their activities. Mr. Mackenzie assured the participants that the public defender's office would handle only criminal cases leaving them free to concentrate on civil issues.

At the conclusion of the May trip, Mr. Mackenzie recommended organizing a public defender pilot project in Kathmandu Valley and recommended that the stipendary lawyers in the Valley be assigned to the pilot project. In addition, he recommended that a public defender's commission be set up to oversee the public defenders.

Mr. Mackenzie returned in September to continue working on the pilot project. During the September trip he drafted

- Court rules for public defenders (see a copy in [Attachment G](#)),
- Standards for Public Defenders (see a copy in [Attachment H](#)), and
- An implementation plan for the public defender pilot project (see a copy in [Attachment I](#)).

During the trip he met with the Registrar of the Supreme Court and together they organized a Public Defender Board to oversee the Public Defender Pilot Program and ensure that the implementation plan would be followed.

1.1.6 Activity: Strengthen Mediation and Encourage Consensus Building in the Justice System

In July 2005, Nepali judges and court staff spent a week in The Netherlands and Slovenia learning about and observing court-related mediation.¹⁰ Judges in the Arnhem District Court stressed that if court-related mediation is to be successful, there must be a public relations program to educate judges, lawyers, and litigants about the benefits of mediation. Judge Machtel Pel, Vice President of the Arnhem District Court, also stressed that there must be a continual program for educating and encouraging judges to refer cases for mediation.

Accepting that public relations is a first step in organizing a mediation program, the Project contracted with Carr Swanson and Randolph LLC ("CSR"), a mediation consulting firm in Washington, DC, for three workshops in Nepal to develop public awareness of the benefits of mediation. The workshops were held in Kathmandu, Biratnagar, and Pokhara during the week of 26 September 2005.¹¹

During the September 2005 trip, the Project and CSR developed a plan to implement mediation in Nepal. The plan covered the following points:

1. A plan for expanding court connected mediation in Nepal.
2. A plan for a mediation public relations and awareness campaign.

¹⁰ The details of the trip were covered in the Annual Report | October 2004 -30 September 2005 | 1.3 Activity: Develop and Implement an Effective Case Management System, page 6.

¹¹ See Annual Report | October 2004-30 September 2005 for a discussion of the three workshops, 1.1.7 Activity: Strengthen Mediation and Encourage Consensus building in the Justice System, page 10.

3. A set of recommendations for further consensus building by mobilizing the support of key influentials for the campaign to expand court-connected mediation in Nepal, partnering with the bar to neutralize lawyer hostility to mediation and working with the Ministry of Law, Justice, and Parliamentary Affairs and other stakeholders to draft a “modern” mediation law for Nepal (see CSR Trip Report for September-October 2005).

I. Mediation Training and Public Awareness: In January/February, Mr. Robert Randolph, a partner in CSR, and retired Judge Patrick King, a mediation consultant from Boston, Massachusetts, spent three weeks in Nepal to develop mediation awareness in the judiciary and court staffs and to follow up on mediation activities outlined by ARD and CSR. Due to limitations on communication and travel because of bandhs and curfews, many of the planned activities were either canceled or limited. During that visit, there was an “Introduction to Appellate Mediation” for judges and staff from the Supreme Court and Patan Appellate Courts, and workshops for Patan Appellate Court and Supreme Court judges and staffs.

During PY 05-06, Robert Randolph and Frank Carr, partners in CSR, conducted the following training, workshops, and public awareness programs.

Length in Days	Type of Mediation Training	Date
½	Court Connected Mediation Workshop for Supreme Court and Appellate Court Judges	18 January 2006
½	Appellate Mediation Workshop for Patan Appellate Court Officials	27 January 2006
1/2	Appellate Mediation Workshop for Supreme Court Officials	31 January 2006
1/2	Workshop for Nepal Bar Association members	2 February 2006
2	Familiarization course for court staff	26-27 March 2006
3	Basic Mediation Training for members of the Nepal Bar Association and members of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI)	29-31 March 2006
2	Mediation Familiarization Course for judges	1-2 April
½	“Court-referred Mediation: Role of Lawyers” for women members of the Nepal Bar Association	3 April 2006
½	Basic mediation training for judges	21 June 2006
3	Advanced Mediation Training for members of the Nepal Bar Association (“NBA”) and members of (FNCCI)	22-24 June 2006
3	Basic Mediation Training Grp II for NBA and FNCCI members	25-27 June 2006
2	Mediation Center Training for Supreme Court Staff	2-3 July 2006
2	Mediation Center Training for FNCCI Staff	2-4 July 2006
3	Advance Mediation Course for NBA and FNCCI Members -Grp. II	14-16 August 2006
3	Practicum for NBA and FNCCI Members - Grp. II	17-19 August 2006
1/2	Catch-up training for 4 judges	24 August 2006
3	Advanced Mediation Training for judges	25-27 August 2006
2	Practicum for Lawyers and FNCCI Members - Grp.I	21-22 August 2006
2	Practicum for Judges	28-29 August 2006

The training consisted of a three-day basic training, a three-day advanced training, and a practicum. During the practicum each participant mediated a mock case in which other participants played the roles of the two disputants. Each mediator was critiqued by the instructors. Participants in the trainings were members of FNCCI, the NBA, and judges. The training courses for the FNCCI and NBA members were sponsored by FNCCI, the NBA, and the National Judicial Academy. The FNCCI and NBA members were divided into two groups. The training for judges was sponsored by the Judges' Society Nepal. Eighty individuals completed the 56 hours which consisted of basic and advance training and a three-hour practicum. The participants were awarded a Certificate of Training at a ceremony following the last practicum (for a newspaper article about the award ceremony, see [Attachment J](#)).

Two training videos, "Mediation in Action: Resolving a Complex Business Dispute" and "Resolution through Mediation: Solving a Complex International Business Problem," used by Mr. Carr and Mr. Randolph during the basic and advanced mediation training, have been dubbed into Nepal for use in future training. The license to use the videos in future workshops will be assigned to the Judges' Society Nepal and FNCCI when the Project completes its activities.¹² The Project has entered into a contract for dubbing a third video.

2. Court Rules, Regulations and Forms: Following up on the discussion during the January/February visit by consultants (see above), the Project entered into a MOU with the Nepal Judges' Society to draft court rules and regulations for court-related mediation and to conform mediation forms prepared by Mr. Randolph to the draft court rules and regulations. In March, Mr. Randolph and Mr. Carr reviewed and commented on drafts of the documents provided by the Judges' Society. After incorporating Mr. Randolph's and Mr. Carr's comments, the drafts of the court rules, court regulations, and mediation form were sent to a committee of Supreme Court justices for their review and comment.

On 5 May 2005, the Judges' Society held a discussion program at which the guidelines, regulations, and forms were discussed with participants suggesting changes. The changes were incorporated and the three documents submitted to the full Supreme Court for adoption. The Court adopted the rules, regulations, and forms and sent them to the Ministry of Law, Justice, and Parliamentary Affairs for final approval. The documents were approved, and notice of the court regulations was published in the Nepal Gazette on 31 July 2006¹³ (for a copy of the court regulations and forms, see [Attachment K](#); for a copy of the Mediation Guidelines, see [Attachment L](#)).

3. Public Relations: The Project provided Urban Pixel content for three mediation brochures and asked for Urban Pixel design brochures using the information content provided. The first brochure was completed during PY 05-06. The Project has decided to provide copies of the brochures to FNCCI, the Nepal Bar Association, and the Nepali courts for distribution and display. Three different designs have been developed for the first brochure. One design will be given to FNCCI for its use (see [Attachment M-1](#)). Another design will be given to the NBA for its use (see [Attachment M-2](#)). The third design will be given to the Judges' Society Nepal for distribution in courthouses (see [Attachment M-3](#)). For an English translation of the first brochure, see [Attachment M-4](#). Two other brochures are planned. The other two brochures will be completed and distributed in PY 06-07.

4. Commercial Mediation: Commercial court cases are often complex and take a long time to resolve. Because of the nature of the cases and because businessmen quickly recognized that it is economically desirable to resolve disputes rather than litigate, business persons tend to be receptive to alternative dispute resolution. Consequently, the Project approached the Federation of Nepalese Chambers of Commerce and

¹² The two videos, "Mediation in Action: Resolving a Complex Business Dispute" and "Resolution through Mediation: Solving a Complex International Business Problem," were developed by The International Institute for Conflict Prevention & Resolution ("CPR") and were dubbed under a license agreement with CPR.

¹³ Laws and regulations become effective on the date published in the Nepal Gazette.

Industry (FNCCI) and discussed training FNCCI members as mediators. The Project suggested that FNCCI organize a mediation center to facilitate mediation of commercial issues and commercial cases in the courts. FNCCI was receptive to the Project's suggestions and participated fully in the Project's mediation activities.

The Project and FNCCI have entered into an MOU under which FNCCI would develop a FNCCI mediation center, publicize the center, and encourage its members to train as mediators. The Project agreed to provide funds for staffing the Center for approximately one year and assist FNCCI with a public relations campaign to publicize the Center.

The FNCCI Mediation Center was officially opened on 10 July 2006 (for newspaper articles about the official opening, see [Attachment N](#)). The Center is staffed with an Executive Director and Administrative Assistants. The FNCCI officially adopted the Center's Vision, Objectives, etc. The Center has established a register of mediators and has developed a draft of its procedures and forms which have been reviewed and commented on and are now being finalized.

5. Mediation Association: At the conclusion of the mediation training, several of the trainees decided to organize an association of mediators. The group has successfully incorporated the Nepal Mediators' Society and is conducting a membership drive. It plans to raise the awareness of mediation in Nepal, support training and continuing training for mediators, and develop codes of ethics and behavior.

6. Nepal Bar Association: In order to counter the animosity that bar associations usually have towards mediation, Mr. Randolph and Project Staff met several times with Nepal Bar Association (NBA) members to discuss mediation. On 2 February 2006, the NBA, with support from the Project, hosted a workshop for its members on court-connected mediation. Speakers included Bar President Shambu Thapa and the U.S. Ambassador to Nepal, the Hon. James Moriarty. Project staff gave a presentation on court-connected mediation at a workshop at the NBA's 10th All Nepal Lawyers National Conference.

Project Staff also gave a presentation on court-connected mediation at one of the Conference's workshops.

In May, the NBA held a two-day continuing legal education program in Pokhara for approximately 60 lawyers. ARD Chief of Party Fred Yeager and ARD ROL Coordinator Badri Bhandari gave presentations on mediation. Mr. Bhandari spoke about the basics of mediation, and Mr. Yeager spoke about building an Alternative Dispute Resolution (ADR) practice.

1.1.7 Activity: Strengthen Communication, Coordination, and Interaction with Institutional and Other Actors

There were no activities during the reporting period.

1.1.8 Activity: Develop and Implement Court Users' Charter

Included in the Judiciary's Strategic Plan and the Project's work plan for PY 05-06 was development and implementation of a court users' charter. During PY 05-06, the Supreme Court drafted a court users' charter and asked the Project to provide financial support for printing copies of the charter as well as posters to post in the Supreme Court. The Project advised the Supreme Court that there should be a Nepal-wide court users' charter posted in all Nepali courts.

At the conclusion of PY 05-06, the Supreme Court advised the Project that it was prepared to follow the Project's recommendations.

1.1.9 Activity: Review Security for Judges

During the project year, ARD met with several consultants for the purpose of discussing judicial security for judges trying individuals charged with Maoist activities. One of the consultants submitted a draft proposal. The consultant proposed extensive meetings with Royal Nepal Army officers, Home Ministry officials, senior government officials, and others at an estimated report cost of \$100,000. ARD concluded that the proposal was not feasible and the cost excessive.

1.1.10 Activity: Strengthen Ability to Enforce Judicial Decisions

The Supreme Court held two workshops to discuss enforcement of judicial decisions. Workshop participants made a number of comments and suggestions which were included in a report forwarded to the Supreme Court for further action. A working group of judges and court officials is reviewing the suggestions and recommendations from the Workshop and identifying rules and laws that require amendments.

1.1.11 Activity: Strengthen Institutional Capacity of the Special Court

The Project has worked extensively with the Special Court. Substantial equipment and furnishings have been provided.¹⁴ Archiving activities, archiving software, and case tracking software have been the focus of much of the PY 05-06 Project activities. The goal has been the reduction of case backlog and the acceleration of case decisions. However, the case backlog has not changed substantially.

Following a November 2005 workshop organized by the Ministry of Law, Justice, and Parliamentary Affairs to discuss improving the Special Court, the Ministry recommended adding a second bench to the Court. There is a general expectation that the case backlog will drop when the second bench becomes active. Implementation of the recommendation has been delayed while the Government and Court consider the additional facilities needed to house a second bench.

In PY 05-06, the Project entered into a contract with the Kathmandu School of Law (“KSL”) to do an analysis of 30 anti-corruption cases decided by the Special Court to determine causes for the delay in decisions and the consequent build-up of the Court’s backlog. The Project is waiting for the report so that it can work with the Court to develop a plan for reducing the backlog.

1.2 OTHER JUDICIAL SECTOR ACTIVITIES

1.2.1 Activity: Strengthen Institutional Capacity of the Judicial Council

During PY 05-06, the Project had discussions with the Executive Secretary of The Judicial Council, Chief Justice of the Supreme Court, and members of the Judicial Council on developing programs and procedures for reducing corruption and improving judicial ethics. The political instability, the hostility to the king’s autocratic rule and unpopular judicial appointments seemed to paralyze the Judicial Council and the Project was unable to get it to commit to any programs. However, Project Staff continue to encourage the Judicial Council to develop a program to combat judicial corruption.

¹⁴ See Annual Report (1 October 2004 – 30 September 2005), 2.1 Activity: Special Court Facilities, page 15.

I.2.2 Activity: Strengthen Institutional Capacity of the National Judicial Academy (NJA)

I. Strategic Plan and Training Assessment: During PY 04-05, the Project entered into a contract with the Management Innovative Training and Research Academy to assist the NJA in updating its strategic plan. During PY 05-06, the strategic plan was finished and approved by its Governing Council and its Executive Committee (for a copy of the strategic plan, see [Attachment O](#)).

During PY 04-05, the NJA conducted a series of workshops for legal/judicial officers, judges, government attorneys, and private lawyers to discuss training, and a questionnaire was distributed to gather information about training needs.¹⁵ The Project agreed to provide support for analyzing the data from the questionnaires and workshops. The analysis was completed during PY 05-06, and a copy of the Training Plan was approved by the NJA (for a copy of the Training Plan, see [Attachment P](#)).

2. Training Activities: The NJA co-sponsored the three-day Basic Mediation Trainings, the three-day Advanced Mediation Trainings, and the Practicums for Nepal Bar Association members and FNCCI members. See the discussion on mediation training in [Mediation Training and Public Awareness](#) above.

3. Training Consultant: In November 2005, International Consultant Mary Noel Pepys spent two weeks in Nepal working with the Nepal Judges' Society and the National Judicial Academy. Ms. Pepys met twice with the NJA staff and discussed the following issues:

- Developing the institutional capacity of the NJA.
- A broad framework for a training plan.
- Training Supreme Court judges.¹⁶
- Initial training for new judges as well as continuing legal education courses for sitting judges.
- Faculty development including NJA's consideration of a two-week orientation course needed for faculty development.
- Mandatory training.
- Limiting the NJA's mandate to judges, government attorneys, and judicial staff.

I.2.3 Activity: Strengthen Institutional Capacity of the Nepal Judges' Society

In PY 04-05, the Judges' Society reorganized and elected new officers. In PY 05-06, it became active in several programs including the Project's mediation activities. It sponsored the mediation familiarization programs for court staff and for judges and drafted rules, regulations, and guidelines for court-related mediation (see "1.1.6. Activity: Strengthen mediation and encourage consensus building in the justice system" above).

During PY 05-06, the Project supplied office furniture, office equipment, and a computer and printer to the Judges' Society.

I. International Consultant: In November 2005, International Consultant Mary Noel Pepys spent two weeks in Nepal working with the Nepal Judges' Society and the National Judicial Academy. During her visit to Kathmandu, she met with the Judges' Society and discussed strengthening the Society and becoming a member of the International Judges Association.

¹⁵ See Annual Report (1 October 2004 – 30 September 2005), I.2.2 Activity: Strengthen Institutional Capacity of the National Judicial Academy.

¹⁶ Nepal's Supreme Court judges believe that they do not need training and have refused to participate in programs designated as "training."

With Ms. Pepys' and Project assistance, the Judges' Society organized a workshop, "Strengthening the Nepal Judges Society" on 17 November 2005. Approximately 75 judges and staff attended the Workshop at which Judge Khatiwada, Secretary General of the Nepal Judges' Society, presented a paper discussing the planned activities of the Society. The paper was followed by extensive discussion on the planned activities as well as many comments on the need for a strong judges' organization to represent the interest of judges.

2. National Convention: The Project has entered into an MOU with the Judges' Society under which the Judges' Society will organize a national convention of Nepali Judges and will develop a training program for women who plan to sit for the judicial exams. These activities will take place in PY 06-07.

3. International Association of Women Judges (IAWJ):¹⁷ During her trip to Nepal, International Consultant Mary Noel Pepys planned to meet with women judges and develop a program to increase the number of women judges.¹⁸ After several meetings with the two women justices on the Supreme Court and the Executive Directors of FWLR and LACC, Ms. Pepys concluded that a better plan would be to increase the number of women in the legal profession. Increasing the number of women active in the legal profession would create a base from which women could be nominated for appointment to the bench.

Ms. Pepys and Project Staff organized a two-hour Women Legal Professionals Workshop to discuss increasing the number of women in the legal profession. A second workshop was held on 8 December 2006 at which the participants set priorities and selected members of a Coordinating Committee of Women Legal Professionals. The Committee is composed of representatives from law students, law professors, private practitioners, government attorneys, lawyers working in the judicial service, lawyers working with NGOs, and judges to coordinate implementing the list of priorities developed at the second workshop.

At a meeting on 5 January 2006, 14 women met and discussed a plan of action for the Forum. After extended discussion about possible activities that would benefit women in the legal profession, the group agreed to meet again to finalize a plan of action.

The Project provided financial support for a two-day National Seminar on Women Lawyers held in Pokhara on 15-16 September 2006. Project staff attended the Seminar and gave a presentation on "Women Legal Professionals and Access to Justice."

¹⁷ There was a Nepali chapter of the IAWJ but it was dormant. It included judges and women working in the judicial service. Efforts by Ms. Pepys and the Project to revive the chapter were not successful and several women actively campaigned against it.

¹⁸ There are currently five women judges in Nepal: two sit on the Supreme Court, one is an appellate court judge, and two are district court judges.

2.0 MORE TRANSPARENT, ACCOUNTABLE AND EFFECTIVE GOVERNANCE

2.1.1 Activity: Promote Corruption Awareness and Prevention in Nepal

Promoting public awareness of the costs of corruption continued to be a major activity during PY 05-06.

I. Local Forum Coordination Committees: During PY 04-05, the Project organized regional conferences to discuss anti-corruption, building community support for anti-corruption efforts and developing integrity in government and the private sector. Regional conferences were held in Birgunj, Biratnagar, Pokhara, and Nepalgunj.¹⁹ Due to the conflict in Nepal and political turmoil, the Dhangadhi regional conference was delayed until August 2006.

The Dhangadhi Conference was the largest of the five conferences with approximately 180 participants. It followed the general format with participants from local government, the business community, and NGOs. The Hon. Hriday Ram Thani, President of the State Affairs Committee of Parliament, and Members of the State Affairs Committee of Parliament Hon. Mahendra Bahadur Panday and Hon. Homa Nath Dahal spoke at the inaugural session of the Conference.

A Task Force formed in June 2005 to follow up on conference declarations by the regional conferences recommended that Local Coordination Forums (“LCF”) be formed in each of the five conference locations and that a Monitoring Panel with members from CIAA, NVC, and ARD ROL be organized to oversee the Local Coordination Forums.²⁰ The Monitoring Panel organized Local Coordination Forums (“LCF”) in Birgunj and Biratnagar in December 2005 and in Pokhara during the first quarter of CY 06. For security reasons, the Monitoring Panel delayed traveling to Nepalgunj until June 2006 to organize the Nepalgunj Local Coordination Forum. The Dhangadhi Local Coordination Forum was organized on the last day of the Dhangadhi Regional Conference, 15 August 2006. The Local Coordination Forums are composed of representatives from local government offices, local businessmen, and members of local NGOs. For full details of the Local Coordination Forum and Monitoring Panel, see the Annual Report (1 October 2004 – 30 September 2005).

A three-day training workshop for LCF members was organized in Nagarkot on 20-22 August 2006. The workshop was designed to give the participants information about the role and function of the LCF and give

¹⁹ See Annual Report (1 October 2004 – 30 September 2005), 2.2.1 Anticorruption Regional Conferences.

²⁰ See Annual Report (1 October 2004 – 30 September 2005), 2.2.1 Anticorruption Regional Conferences.

them necessary skills and knowledge to plan and implement anti-corruption activities in their communities. At the last session of the workshop, the participants wrote an action plan for their LCF. In the next project year, the Project and CIAA will work with the LCFs to implement the action plans (for a copy of the Nagarkot program and agenda, see [Attachment Q](#)).

The Project, CIAA, and NVC believe that the LCFs have an opportunity to affect corruption in Nepal. It is the first time that local government, business persons, and civil society have met and developed a plan for combating corruption in their communities.

The regional anti-corruption conferences and the LCFs have been a major focus of anti-corruption activities during the project year. A brochure giving the details of the conferences and the LCFs was prepared (for a copy of the brochure, see [Attachment R](#)).

2. Song Festival. In August 2005, the Project agreed to support CO-ACT's proposal to organize a song competition for the Teej Festival.²¹ CO-ACT is a local NGO working on women's activities. The festival participants wrote and sang songs exploring the role of women in anti-corruption both as participants and victims of corruption. There was also dancing as the groups sang. Approximately 300 women attended the afternoon-long festival. A panel of judges awarded first, second, and third monetary prizes. The song competition was videotaped and will be shown on Nepali TV.



3. Investigative Journalism: After several cancellations and reschedulings due to strikes and political demonstrations, the two workshops for investigative journalists were held during the last week of June in Pokhara and the first week of July in Godavari. The Pokhara workshop was sponsored by Mechi Mahakali Media Society, with 33 participants from Western Nepal. The Godavari workshop was sponsored by the Nepal Institute for Professional Journalism and Communications Studies, with 24 journalists participating, mostly from Eastern Nepal. Paul Radu, an investigative journalist from Romania and project co-coordinator and co-founder of the Romanian Center for Investigative Journalism, was the principal lecturer (for a copy of the Preliminary Report on the investigative journalism training, see [Attachment S](#)).

²¹ Haritalika Teej is a festival observed by women. They sing songs and dance dances expressing their sorrows and grievances throughout the year. During this festival they not only pray for the well-being of their husbands and family members, but they are also free to express their views about the maladies of family and of the society.

At the close of each workshop the participants were asked to develop and submit an investigative journalism project on corruption after their return home. Twenty-one of the participating journalists submitted investigative articles which had been published in their local daily or weekly newspapers. The 21 journalists will attend a workshop to be organized in the 4th quarter of CY 06. Ten journalists attending the workshop will be selected for a fellowship to do an in-depth investigation of a corruption-prone agency.

4. Exposure Tour: The Project organized an information tour for CIAA, NVC, and OAG and Ministry of Law Justice and Parliamentary Affairs officials and senior staff. The participants were hosted by Singapore’s Corrupt Practices Investigation Bureau (CPIB) and Malaysia’s Anti-Corruption Agency (ACA). During the tour, the Nepali delegation met with senior officials of CPIB and ACA and discussed anti-corruption efforts, strategies, programs, and effectiveness in fighting corruption (for the tour agenda, see [Attachment T](#)).

5. Community Education: During the exposure tour, the Nepali delegation was given information about the community education programs of the two hosting agencies. Since CIAA and NVC have a statutory obligation to conduct community education programs, the tour participants were particularly interested in whether the CPIB or ACA programs could be replicated in Nepal. On 28 July 2006, CIAA organized a discussion program to discuss anti-corruption education programs. Representatives of government agencies and NGOs active in anti-corruption attended. Several NGOs took the position that CIAA and NVC were not qualified to conduct such programs and that NGOs should be the ones to conduct community education. CIAA is reviewing its options for complying with its mandate to conduct community education programs.

6. Anti-corruption Supplement: The Project supported the publication of a 16-page anti-corruption special supplement published in the December issue of the Himal Khabar, a national fortnightly. The supplement covered the achievements and challenges of corruption in Nepal. The supplement also included interviews with the CIAA Chief Commissioner Surya Nath Upadhaya, NVC Chief Officer Krishna Kumar Shrestha, and private citizens. Included in the Supplement was a brief article on ARD ROL activities in anti-corruption (for an English summary of the Supplement, see [Attachment U](#)).

2.1.2 Activity: Strengthen Institutional Capacity of the CIAA

1. Equipment: In May, CIAA moved into its new building which was specifically built for CIAA. The Project provided a fire alarm system, access control system, and lab equipment for the new building.

2. Publications: At CIAA’s annual recognition day, two publications, “7 Special Court Decisions on Disproportionate Property” and the “Anticorruption Investigation and Trial Guide,” were officially presented.²² The Project supported publication and printing of both documents. Five hundred copies of the “7 Special Court Decisions on Disproportionate Property” were distributed to interested parties (for an English summary of the 7 Special Court decisions, see [Attachment V](#)). Five hundred copies of the “Anticorruption Investigation and Trial Guide” were distributed to CIAA staff and staffs of other government agencies.²³



²² For a discussion about Project support for the “Anticorruption Investigation and Trail Guide” go to Annual Report I October 2004 – 30 September 2005, 2.3.2 Anticorruption Manual, page 19.

²³ See Annual Report I October 2004 – 30 September 2005, 2.3.2 Anticorruption Manual, page 19 for a discussion of the “Anticorruption Investigation and Trial Guide” which was written by Project Consultant Michael Genelin and CIAA staff.

3. Public Service Spots: The Project supported filming two 2-minute public service spots (PSS) highlighting the CIAA and its activities in fighting anti-corruption. The PSS will be distributed to cinema halls throughout Nepal and will be shown with advertisements and commercials prior to the start of the movie. During PY 05-06, one PSS has been completed and distributed to a number of the cinema halls. The second PSS is being completed.

4. Training: The Project had planned to support various seminars and workshops for CIAA officials and staff. However, CIAA received a World Bank grant for training and the Project decided to focus on other activities with CIAA.

5. Survey of CIAA Activities: During PY 05-06, the Project entered into an MOU with CIAA under which the Project will support a survey of CIAA activities and accomplishments during the last five years.

2.1.3 Activity: Strengthen Institutional Capacity of the Attorney General's Office (AGO)

Since the start of the Project there have been four different Attorney Generals. This has caused delay in planned activities as each time the newly appointed Attorney General had to be informed of Project activities.

1. Strategic Plan: The Project contracted with the School of Environmental Management and Sustainable Development, a local organization, to work with the AGO and complete the Strategic Plan. Workshops were held in February in Kathmandu and Janakpur to familiarize public prosecutors and AGO staff with the details of the Strategic Plan and to get their comments and suggestions. The Strategic was finalized shortly thereafter and was approved by the Attorney General in August 2006 (for an English summary of the strategic plan, see [Attachment W](#)).

2. Model Office Pilot Program: During PY 05-06, Project Staff met several times with the AGO and discussed moving forward on the pilot program. At one meeting, the Attorney General expressed a preference for an assessment of current practices and procedures. Project staff indicated a preference for starting the pilot program without the assessment. After further discussion, the Project agreed to do the assessment and sent a Terms of Reference to the Nepal Law Campus. Project Staff met with the Nepal Law Campus, but the two parties were unable to agree on the approach and style of the assessment. At a July 2006 meeting, the Project advised the AGO that there was not sufficient time to complete the pilot program before the termination date of the Project's contract and that it would not proceed with the pilot program.

3. Training Programs: In August 2006, Project staff met with the newly appointed Attorney General and his senior officials to discuss activities proposed by the Attorney General. The Project advised the Attorney General that, due to the Project's expected completion in June 2007, it could only commit to providing training. After discussion, the Project committed to support training programs on human rights, forensics, and computer training. In September, the AGO sent a proposal for two human rights seminars to be held in October 2006.

2.1.4 Activity: Strengthen Institutional Capacity of the National Vigilance Center (NVC)

Since the start of the Project, four different individuals have been appointed as Chief Officer of the NVC. This has caused delay in planned activities as each time the newly appointed Chief Officer had to be informed of Project activities. For approximately three months there was no Chief Officer, and one of the Joint Secretaries served as the Acting Chief Officer.

When the Seven Party Alliance took control of the government in April, the prime minister appointed a committee to review the role and future activities of the NVC. The committee was chaired by the Joint Secretary

of the Prime Minister's Office. The Project's Anti-corruption Coordinator, Mihir Thakur, was included as a member of the committee. The Committee concluded that the NVC should continue with its activities.

With the announcement of the Committee and the fact that there was only an Acting Chief Officer, activity at NVC was reduced to a minimum while the staff awaited the decision of the Committee and the appointment of a Chief Officer.

1. Strategic Plan: Due to the slow progress on the Strategic Plan, the Project concluded that a local organization might be able to persuade the NVC to give priority to the Strategic Plan, and the Project entered into a contract with the School of Environmental Management and Sustainable Development. The Strategic Plan was finally completed and approved by the recently appointed Chief Officer.²⁴

2. Financial Declaration Forms: Project Staff have had a number of discussions with the NVC about the need to improve the reporting of assets by government officials. Although expressing interest, there has been no effort by the NVC to move forward on the activity.

3. Training: The NVC Chief Officer and the NVC Secretary participated in the Singapore/Malaysia Anti-Corruption Tour (see [Exposure Tour](#) above). The Project also provided technical and financial support for two one-day training events at which the topic at each was managing and monitoring the property statement form and assets of public officials.

2.1.5 Activity: Identify and Work with Corruption-prone Offices to Combat Corruption in Nepal

Representatives of the Inland Revenue Department have participated in the Regional Coordination meetings (see [Local Forum Coordination Committees](#) above for discussion of the regional coordination meetings). Project Staff have also had limited discussion with the Inland Revenue on joint activities, but there has been no specific agreement on any joint activities.

During the Project Year, the Director of the Customs Department participated in the Pokhara Regional Anticorruption Conference and followed up with a visit to the three government offices selected as Model Offices.

2.1.6 Activity: Support the Ministry of Law, Justice and Parliamentary Affairs in Drafting and Publicizing Laws and Regulations

Project Staff have met with the Ministry several times and discussed harmonizing the United Nations Convention against Corruption with domestic law and drafting a mediation law. The Ministry has indicated its willingness to undertake the two activities and agreed to send a detailed proposal but has failed to do so. The Project believes that a detailed proposal would indicate "buy-in" and, without it, the two activities would not be successful. A staff member from the Ministry participated in the Singapore Malaysia Anti-Corruption Tour (see [Exposure Tour](#) above).

²⁴ However, the plan needs to be approved by the Prime Minister's Office and that has not yet happened.

3.0 CROSS-CUTTING ACTIVITIES

3.1.1 Activity: Promote Equity and Legal Representation

Major activity is through the grants program.

3.1.2 Activity: Strengthen the Capacity to Prosecute Environmental Crimes

Major activity is through the grants program.

4.0 GRANTS

During PY 05-06, the Project entered into Fixed Obligation Grant Agreements with 13 grantees (for a list of grantees and project descriptions, see [Attachment X](#)).

During PR 05-06, the Project held two program review and coordination meetings. At the first meeting on 17 March 2006, each of the grantees gave a brief overview of their work plan, strategies, achievements, and anticipated problems. At the second meeting on 18 July 2006, the grantees gave an overview of activities and problems since the first meeting. In addition to representatives from the 13 grantees and USAID, representatives from the CIAA, NVC, NJA, Supreme Court, Ministry of Law, Justice and Parliamentary Affairs, and the Office of the Attorney General, Department of Prison Management, Nepal Bar Association, and Legal Aid NGO Network attended the two workshops. Grantees asked questions and commented on the presentations. The representatives from the government agencies gave comments and suggestions for effective implementation of the grants program. The government representatives committed to provide effective coordination with their agencies and to collaborate whenever possible.

Project Staff attended a number of meetings, seminars, and workshops held by the Grantees.

The following manuals for training and for protecting rights, bulletins, and newsletters were written and distributed during PY 05-06:

- **LACC** - Information /Resource kit book on community mediation
- **LACC** - Training Manual on community mediation training
- **AJAR** - Basic information to Prisoners' legal aid and rights booklets-by AJAR Audio cassette on prisoners' legal rights
- **FEALPEC** - Environmental Concern - Newsletter Bulletin
- **Spiny Babblers** - Anti-Corruption project information brochure
- **TIN** - AC awareness monthly bulletins – By two local support groups of TI-Nepal
- **TIN** - AC Training Manual – By TI- Nepal
- **ReMAC** - Sushan (Good Governance)
- **FWLD** - Draft Amendment Proposal on Discriminatory Law – By FWLD
- **SWATI** - *Astitwa*- Newsletter on AC and Women's participation.

During PY 05-06, Project Staff visited all of the grantee offices several times to provide technical support and grants compliance support, and to review financial procedures. They reviewed the progress and discussed problems of the ongoing activities. They also conducted financial and compliance reviews and provided some technical inputs on project activities, implementation and management of grant requirements, the financial system of the grantees, and compliance with USAID and ARD grants policy and compliance requirements.

Among the many workshops and seminars held by grantees during PY 05-06 there were several noteworthy ones. LACC held several training programs on community mediation for women mediators. The training program at Ilam was observed by the USAID Chief of Mission. Nepal Law Society organized five regional workshops to present its draft Manual on Quasi-Judicial Bodies. Participants at the workshops were invited to comment on the Manual for the purpose of improving its contents. CTO Bishnu Adhikari attended two of the workshops. FWLD held a national consultation workshop on its draft amendments to discriminatory legal provisions. The workshop was attended by USAID-Nepal Special Project Director Leila Abu-Gheida; Mr.

Narendra Bikram Nemwang, Honorable Minister of Law Justice and Parliamentary Affairs; and Ms. Urmila Aryal, Honorable Minister of State for Women, Children & Social Welfare.

Other grantee activity during PY 05-06 includes:

- 48 episodes of radio and TV programs by Radio Sagarmatha, FWLD, and FEALPEC
- Public interest litigation by FWLD, ProPublic, and FEALPEC
- Journalism fellowships for 20 journalists by ReMAC
- 3 clinical legal education programs by LACC
- Legal aid by LACC, AJAR, FWLD, and RCDSC
- Gender sensitization workshops for judicial and quasi-judicial officials by LAAC
- Anti-corruption awareness and capacity-building programs by SWATI and TI-Nepal.

Due to civil unrest during April and early May 2006, some of the grantees were not able to meet timelines or satisfy milestone requirements. Project Staff are working with them and urging them to move quickly to meet the timelines and satisfy the milestone requirements.

5.0 MEETINGS AND COORDINATION

The NBA invited Fred Yeager, ARD's COP, to speak at the Inaugural Session of its 10th All Nepal Lawyers National Conference. This conference is held every two years, and lawyers from across Nepal attend. ARD provided financial support for the conference.

Donor coordination meetings are held from time to time. USAID attends some of the meetings, and ARD and USAID attend other meetings. ARD and EU were organizing a series of coordination meetings but USAID advised that, due to political situations, it would be better if ARD attended the meetings but did not participate in organizing the meetings. Several meetings were held but since the EU representative has been transferred, there have been no meetings.

6.0 PROBLEMS

In February 2005, the king dismissed the Cabinet, declared a state of emergency, and established himself as the head of government. Following his declaration, things were relatively quiet. However, after the holiday season in Nepal (late October and early November 2005), the political situation became more confused. Starting in January there were a number of bandhs and demonstrations organized by the Maoists. The government imposed a curfew whenever there was a demonstration or other activity designed to encourage protest against the government. Consequently, Project programs and activities had to be cancelled or shortened.

During April there was a joint effort by the Seven Party Political Alliance and the Maoists to force the king to recognize the political parties and to return the government to the people. The government imposed curfews in an attempt to halt the street protests which were becoming violent. During that period, workshops were cancelled and the office was closed for a number of days. The judicial tour planned for Boston was cancelled at the last minute.

As a result of the demonstrations, strikes, curfews, and general instability, programs were cancelled, offices closed, and it was difficult to meet timetables and in general carry out in a timely fashion many of the Project's activities. In May 2006, the king rescinded the state of emergency and political parties took control of the government. Although there were demonstrations and strikes, Project activities were able to continue.

7.0 ADMINISTRATIVE ACTIVITIES

In PY 04-05, the Project contracted with ACNielsen for a poll of 3,045 Nepali households in urban and rural areas to determine the level of awareness and knowledge about the judiciary and fundamental issues such as corruption in the judiciary, independence of the judiciary, and overall respect for the judiciary. The poll was very extensive with 72 questions covering the following topics:

- Respondent's awareness of and rights under Nepali law
- Human and legal rights
- Respondent's knowledge of police behavior
- Nepal's judicial system
- Corruption and fairness in the judiciary
- Judiciary's treatment of the poor and marginalized sections of society
- Caste discrimination by the judiciary
- Case delay and backlog
- Respondent's awareness of court administrative procedures and fees
- Court officials' conduct
- Respondent's opinion of government attorneys and private lawyers
- Respondent's knowledge of Alternative Dispute Resolution
- Respondent's general outlook about judicial reforms

The poll was completed and the report received by the Project in January 2006 (for an Executive Summary of the "Rule of Law and Human Rights In Nepal: Opinion Poll," see [Attachment Y](#)).

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