

# USAID/OTI Nepal Quarterly Report

October - December 2008

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## Program Description

In August 2006, USAID's Office of Transition Initiatives (OTI) inaugurated a program to help advance Nepal's transition to peace and democracy. The objectives of the OTI program in Nepal are to—

- Increase access to information and diversify public debate on issues critical to the political transition, and
- Increase local-level engagement and participation in the peace process.

OTI commenced its program at the request of, and in close coordination with, the U.S. Embassy and the USAID Mission to Nepal. The implementing partner for OTI in Nepal is Chemonics International, Inc., which was selected through a competitive bidding process. The program consists of a series of small grants and short-term technical assistance activities in furtherance of Nepal's transition process.

## Country Situation

**Constitution-drafting Process Established** – Seven months after its first seating, the Constituent Assembly (CA) passed regulations codifying the process for drafting a new constitution. The legislation calls for the formation of 14 committees—one constitutional, 10 thematic, and three procedural. Committee members have been announced; however, chairs have not been named. A draft of the new constitution should be ready by May 27, 2010.

**Differences Forestall Work of Special Committee** – During the festival season in October, Nepal's four major political parties (Nepali Congress, Communist Party of Nepal-United Marxist and Leninist, Communist Party of Nepal-Maoist, and Madhesi Janadhikar Forum) agreed to form a high-level special committee to address the issue of integrating ex-combatants from the Maoists' Peoples Liberation Army into the Nepalese Army. The committee, however, has been unable to resolve critical differences permitting it to begin work, as the Maoists are in favor of wholesale integration of their combatants into the Army, while the other parties are against it.

**Voting Age for By-elections Set** – The CA amended the interim constitution to allow Nepalese citizens who were 18 years old as of April 2008 to vote in the upcoming by-elections in six constituencies. Although the amendment was the final impediment to scheduling the by-elections, the government has yet to announce an election date.

**Efforts to Engage Armed Groups Falter** – In October, the government formed a three-member ministerial team to initiate dialogues with armed groups in the Terai; however, the initiative has seen little progress. Many prominent Terai groups have rejected the invitation to talk. A number of armed groups responded to an earlier request, but while one of the dialogues was taking place, police arrested members of the Madhesi Tigers for possessing weapons and bomb-making materials.

**Worsening Security Situation** – The law and order situation continues to deteriorate, particularly in the Terai. Since the end of the October festival season, the region has seen an alarming increase in extortions, kidnappings, shootings, and murders. In addition, there have been bomb blasts, albeit minor, in the Kathmandu Valley. Armed groups continue to target local businesspeople, government officials, and government offices. Incidents include bombings in Morang and Rautahat districts that killed three and injured eight and shootings in Kapilvastu that killed two members of the Terai-Madhes Democratic Party and a village development committee secretary. In addition, elements of Rajan Mukti in Dhanusa district bombed the Land Revenue Office, injuring eight people; killed a police constable; and shot two government officials, killing one and severely injuring the other.

**Media Targeted** – Attacks on media houses and journalists increased during the quarter. In three attacks on Himal Media, allegedly by members of the Maoist-affiliated trade union, journalists were physically assaulted and 1,500 copies of *Himal Khabar Patrika*, a popular bi-weekly magazine, were burned. The trade union also shut down the Kantipur Publications regional office in Biratnagar for six days, obstructing the printing and distribution of newspapers. In response to protests by journalists throughout the country, the government signed a 10-point commitment with the Federation of Nepalese Journalists to ensure press freedom.

## OTI Highlights

### A. OTI/Nepal Grant Activity Summary

Since August 2006, OTI, through Chemonics as its implementing partner, has funded 235 small-grant and technical assistance activities totaling \$8,889,921. (This figure excludes the four grants implemented by OTI prior to the commencement of the Chemonics contract. Prior to Chemonics' arrival, OTI cleared four grants totaling \$25,587.) The funding breaks down by sector as follows: social inclusion (4%), elections (12%), key political transition agreements and processes (34%), community stabilization (41%), and media strengthening (9%). *Data as of December 31, 2008.*

#### Grants Committed by Sector

Sector	Grants Cleared Oct. - Dec. 2008	Budget for Grants Cleared Oct. - Dec. 2008	Total Grants Cleared Since Aug. 2006	Total Budget for Grants Cleared Since Aug. 2006
Social inclusion	-	-	17	\$375,120
Elections	2	\$40,964	26	\$1,085,727
Key political transition agreements and processes	3	\$118,535	88	\$3,000,153
Community stabilization	22	\$439,702	87	\$3,628,230
Media strengthening	-	-	17	\$800,691
<b>Total</b>	<b>27</b>	<b>\$599,201</b>	<b>235</b>	<b>\$8,889,921</b>

During the quarter, OTI approved 27 new activities worth \$599,201—two focusing on elections, three on key political transition agreements and processes, and 22 on community stabilization. A significant number of grant activities sought to link CA representatives and local government officials to their constituent communities through radio talk shows, Citizen Charters, and other community-engagement mechanisms. OTI also cleared grants to replicate successful comedy TV shows and public service announcements (PSAs) to disseminate information on transitional issues. In addition, Community Development Fund (CDF) activities were expanded to districts in the central Terai.

With the successful completion of the CA election, OTI's post-election program shifted to community stabilization activities. Twenty-two of the 27 activities approved this quarter focused on improving understanding among different ethnic groups and initiating local- and national-level dialogues on a new constitution.

### B. Grant Activity

**Community Stabilization** – OTI recognizes the importance of mid-level political party leaders as key promoters of peaceful democratic processes at the local level. Consequently, the program seeks to establish and improve linkages between communities, local government officials, and their CA representatives. To promote peaceful democratic transition in Nepal, the program has provided assistance for the following activities:

- Production and airing of 120 live radio talk shows on 10 radio stations, linking CA representatives and local government officials to their constituents in 20 districts;
- Broadcast of a popular television version of a weekly radio talk show, in collaboration with BBC World Service Trust, linking CA members and local-level government officials to their constituents;
- Training for representatives of local-level institutions in Lalitpur district in the Kathmandu Valley on participatory planning, good governance, and transparency to help the new government reassert its presence

locally and manage citizen expectations; and

- Training on the constitutional process—with funding from Women in Development—for 4,800 local-level female political party leaders and civil society members. (Because of their historically marginalized position in Nepalese society, women have less information on the role and function of the CA, and many have doubts that the CA will address their issues and concerns.)

Consistent with OTI's objectives in Nepal, the program continues to disseminate critical transition information and seeks to diversify public debate on the country's transition processes. During the quarter, such activities included the following:

- The program has developed a grant to support a traveling exhibition of the OTI-funded documentary "Frames of War." The film, which depicts the suffering experienced during Nepal's 11-year insurgency, will be screened at approximately 30 locations throughout the country, with a final showing in Kathmandu. The project seeks to remind and educate the Nepalese people about the costs of war and motivate them to collaborate on peaceful solutions during the current political transition. The documentary won the Nepal Panorama award at the Kathmandu International Mountain Film Festival and was accepted to be shown at the Himalayan Film Festival in Amsterdam in February 2009.
- Broadcasts of the series "Mero Jindagi, Mero Biswas!" (My Life, My Belief!) have begun on a national TV network as well as on 30 local radio stations throughout the country. Transcripts from the 26-episode series are also being published in a major national newspaper. The series is produced by OTI partner Antenna Foundation and is based on National Public Radio's "This I Believe" program. The activity seeks engage the people of Nepal in a discussion about the core values and beliefs that guide their daily lives.
- The program's field office funded two grants to support street dramas, speeches, and art and song competitions on subjects critical to Nepal's peaceful transition.

Youth are playing a key role in Nepal's transition, especially at the local level, making this group a prime target for OTI activities. During the quarter, youth-focused activities included the following:

- OTI linked students from 20 colleges in the Kathmandu Valley with counterparts from 21 colleges in Sarlahi district. Activities focused on democracy, human rights and good governance, civic education, politics, and peace building. In conjunction with this initiative, a documentary is being produced to address the importance of civic consciousness and demonstrate how youth can make positive contributions to democracy and politics.
- The program supported the production and dissemination of easy-to-understand booklets on the provisions of Citizen Charters. The initiative has succeeded in educating residents, including youth, in three central Terai districts on the services, fees, and functions of local government offices and line ministries. This activity is empowering communities to watch how local government budgets and disburses funds.
- Community Development Fund (CDF) activities are currently being implemented in 210 village development committees (village areas or VDCs) in the central Terai and 50 VDC administrative sub-jurisdictions in the eastern Terai. OTI's implementation of small scale infrastructure projects, in close consultation and financial partnership with rural communities, has had high symbolic and tangible value for the involved communities and their youth. Through these activities, a nominal OTI investment of approximately \$370 leverages the community's resources and induces a commitment from local youth to be actively engaged in the projects. Furthermore, to ensure the structural soundness of infrastructure-related CDF activities, OTI works with local government officials to obtain certificates for infrastructure soundness or to send engineers to assess the structures.

Finally, to inform future community stabilization programming, OTI is conducting a political, social, and security assessment in 10 districts in the central and eastern Terai. The assessment will provide the foundation for a trend analysis report and include recommendations for possible activities.

**Key Political Transition Agreements and Processes** – OTI continues to support activities to educate and inform the public on the function and work of the CA. The program is also supporting the constitution-drafting process by providing CA members with access to resources to aid their effort. Activities supporting transition agreements and processes include the following:

- CA resource center. In collaboration with the Secretariat of the Legislature-Parliament of Nepal, the program is funding the first six months of rent and providing communications equipment for a legislative resource

center in partnership with United Nations Development Programme and other donors.

- Media resource center. OTI has also supported the Secretariat to establish and maintain a media resource center for journalists, a press conference hall, and an internal system to broadcast CA proceedings as well as facilities where broadcast media organizations can receive audio and video feeds.
- CA information supplement. OTI is supporting the production of 60,000 copies of a bi-weekly supplement focused on the CA. The supplement will be distributed through *Himal Khabarpatrik*, a premier fortnightly news and news-analysis magazine that has an educated, middle-class readership, including political party cadres at the national, district, and local levels; students and teachers; civil servants; and staff of nongovernmental organizations. The magazine should be an effective way to reach these groups.
- Aarohan Theatre performances. OTI continues to support the theater troupe, which has staged all of the 320 legislative forum-theater performances that were planned for 16 districts of the central and eastern Terai. Views on the new constitution were solicited at the performances, and the grantee is restructuring its performance to include the grassroots input and will conduct a legislative forum-theater drama for the CA, media, and civil society in Kathmandu in February 2009.

**Elections** – The recently adopted sixth amendment to Nepal's interim constitution paves the way for the government to set a date for by-elections in six constituencies. OTI is assisting the Election Commission with the development of a 15-minute television PSA, Nepali language radio PSAs, and a radio jingle explaining in simple terms how use a voting machine. The jingle will be recorded and broadcast in six local languages.

### C. Indicators of Success

**Speed** – OTI's ability to quickly recognize and target project opportunities remains a hallmark of the program. For example, when observations indicated that large numbers of rural villagers gather at local festivals, OTI's field office quickly cleared grants to reach these individuals—who would otherwise be dispersed throughout the countryside—with street dramas addressing transitional issues.

**Re-targeting/Flexibility** – The program's media and communications activities continue to display flexibility in response to the ongoing transition process. PSAs and radio programming projects (local, regional, and national) are designed to be responsive in a changing environment. PSAs are often produced within days of the unfolding of events, and OTI's capacity to work quickly to adjust radio programming keeps broadcasts focused and relevant.

**Community-based** – With the growing capacity of the program's field offices, activities have become increasingly focused on the local level. The program's network of community "mobilizers" remains a reliable means for implementing projects in Terai districts and for keeping activities secure. Increasingly, these mobilizers are taking on monitoring responsibilities.

### Next Steps/Immediate Priorities

Emergent issues include the following:

- The constitution-writing period is expected to be contentious and may warrant programmatic focus.
- The potential for unrest and violence in the Terai persists, as activities by armed groups intensify. In addition, the new government's failure to implement Madhesi-related agreements could create problems. Many Madhesi-based political parties are positioning for protests in early 2009.
- Attacks on the media remain a concern, as does the potential for continued pressure on press freedoms.
- Increased strikes in the Katmandu Valley are a sign of increasing discontent with the peace and transition process. Growing disillusionment has the potential to precipitate an increase in strikes against the government in general and the Maoists in particular.

In the next quarter, OTI will—

- Develop additional programming to support the media and freedom of the press;

- Hold a day-long meeting with CDF partners in Birgunj to facilitate coordination and discuss lessons learned, impact, and possible next steps;
- Open the Janakpur field office in early 2009; and
- Coordinate activity development with new USAID implementing partners and key donors and implementing agencies.