
A REASSESSMENT OF THE NEPAL DEMOCRACY STRATEGY

FINAL REPORT

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EXECUTIVE SUMMARY

This report contains the initial findings and recommendations of a Strategy Reassessment Team consisting of two independent consultants retained by the Arlington, Virginia office of Coopers & Lybrand under U. S. Agency for International Development (USAID) Prime Contract No. PDC-2028-Z-00-7186-00 to review USAID/Nepal's democracy program, especially its Democratic Institutions Strengthening Project (DISP), and to undertake related tasks. Stephen Golub (the team leader) and Peter Sellar, who are identified in the Scope of Work as Democracy Advisors, conducted interviews and reviewed relevant documents while in Kathmandu, Nepal from February 13 through 26, 1994. Mr. Golub remained in the country through March 4 to conduct two trips outside the capital and for a close-out briefing with the USAID Mission.

The team carried out its assignment guided by both official and informal instructions provided by the Mission and by USAID/Washington. The two central tasks consist of the following:

1. Reassess the Mission's democracy program in light of the evolution of Nepalese democracy since 1991 and make recommendations that are as specific as possible regarding future directions for the program. The reassessment and recommendations should extend beyond DISP, to include other activities that USAID has supported (mainly under the Democratic Pluralism Initiative) and potentially could support.
2. As specified in the Scope of Work, "devise and establish a rating system [for Nepal's democratic progress] in conformity with the Program Performance Information System (PRISM) in operation in USAID/Nepal." Furthermore, provide numerical ratings (with supporting narrative discussion) that will constitute baseline data for future assessment of such progress under PRISM.

Strategy Reassessment

In light of the context in which USAID/Nepal's democracy program evolved, our deference to the judgment of Nepal-based personnel who formulated the program and the sound arguments we heard regarding its present thrust, we strongly endorse the current strategy's central focus (as embodied by DISP) on strengthening the credibility and effectiveness of three important government institutions (local government, Parliament and the judiciary). We also find considerable merit in the program's other activities funded through the Democratic Pluralism Initiative. The Mission especially merits praise because its democracy program has evolved in a period of rapid and surprising change in Nepal. It is a noteworthy accomplishment that the Mission's program is riding this wave of change in an adept manner that holds considerable potential to contribute to Nepalese democracy.

For the future, however, consistent with intra-Mission discussions that contemplate the possibility of scaling back support for Parliament and the judiciary, we recommend a shift in strategy away from these bodies and toward a focus on two overlapping areas: continued strengthening of local government performance and a greater emphasis on civic participation. While bolstering central government institutions such as the Supreme Court and Parliament might well make sense during these first few years of Nepalese democracy, over the longer term the Mission should consider reducing or phasing out such support and grappling with more fundamental constraints on Nepal's democratic development. These are: 1) the centralization of revenue-generation and decision-making that help perpetuate rural poverty by denying resources to outlying areas, and 2) the domination of government by high caste males in a manner that excludes women, lower castes and most ethnic groups from effectively participating or having their most important concerns addressed.

This first constraint is already addressed under the current strategy, which makes local revenue generation one of the two main prongs (along with civic education) of the Local Government Strengthening Component (LGSC) of DISP. However, there are a few respects, discussed subsequently in this report, in which the Mission could expand on this effort to increase local government control of revenues. The Mission also is already addressing the second constraint to a certain degree through elements of its democracy program, as well as through other activities it is supporting. The recommendation here is to attach greater emphasis to such elements and activities while gradually shifting resources from support for Parliament and the judiciary. This suggested shift in emphasis springs from a view that democracy in Nepal will be confined to elite competition and deliberation unlikely to adequately address the needs of most citizens unless those citizens begin to possess the sophistication, organization and political and economic independence necessary to exert influence over their elected representatives.

PRISM and Program Improvement

Because the Mission had very reasonably allowed the team leeway to adjust the PRISM rating system for democracy, we decided to modify and expand on these ratings in a few different ways. First, we substituted four program outcomes for the three originally anticipated by the Mission, and modified the overall strategic objective. We rated these on a scale of one (the least favorable assessment) to ten (the most favorable). Our methodology is described in the report. The report also provides subcategories that we established and rated for each program outcome and narrative discussions that constitute background for the ratings.

Our rating for the overall strategic objective of strengthened democracy is 4.5.

The four program outcomes and our ratings for them are as follows:

1. strengthened civic participation (which embraces both nongovernmental forces and democratic attitudes): 5.8;
2. effectiveness and responsiveness of Parliament: 4.9;

3. independence, effectiveness and fairness of the legal system (which is broader than the judiciary): 4.6; and

4. effectiveness, accountability and responsiveness of local government: 4.3.

The report also discusses ways of supplementing PRISM in order to better understand what the Mission is accomplishing regarding democratization and how its work can be improved. Potentially the best method for documenting, assessing and building on the success of many democratization activities is the case study.

On an activity-specific level, the case study is a report that: 1) focuses on how a contractor or grantee tried or is trying to address a specific development issue (e.g., LGSC efforts to increase District Development Committee revenue generation); 2) confirms that organization's contribution to whatever accomplishments have taken place by drawing on available documents such as government reports or newspaper articles and by interviewing individuals (including but not limited to beneficiaries of the activity) who are familiar with that contribution; 3) draws conclusions for future use, based on the success(es) or failure(s) of the organization and its partner groups with which it is working. On the broader level of program assessment, case studies could look at how a range of activities have contributed to some general trends or developments.

Finally, we suggest that success not be viewed in grandiose terms pertaining to overall progress of democracy in Nepal. It is unrealistic and potentially counterproductive to assume that the relatively modest development activities carried out for relatively short periods of time can dramatically alter the flow of the nation's history, the flavor of its culture or the character of its institutions. They can, however, help accomplish more limited and nevertheless important objectives that contribute to the overall quality of democracy by addressing specific populations and needs.

I. **INTRODUCTION: THE ASSIGNMENT OF THE STRATEGY REASSESSMENT TEAM**

A. **Background**

This report contains the initial findings and recommendations of a Strategy Reassessment Team consisting of two independent consultants retained by the Arlington, Virginia office of Coopers & Lybrand under U. S. Agency for International Development (USAID) Prime Contract No. PDC-2028-Z-00-7186-00 to review USAID/Nepal's democracy program, especially its Democratic Institutions Strengthening Project (DISP), and to undertake related tasks. Stephen Golub (the team leader) and Peter Sellar, who are identified in the Scope of Work as Democracy Advisors, conducted interviews and reviewed relevant documents while in Kathmandu, Nepal from February 13 through 26, 1994. Mr. Golub remained in the country through March 4 to conduct two trips outside the capital and for a close-out briefing with the USAID Mission. Those trips were to learn about activities supported under DISP in: 1) Gorkha, one of four districts where DISP's Local Government Strengthening Component is getting underway, and 2) Pokhara, where the Women's Legal Services Project, a USAID-supported NGO, has a field office.

Mr. Sellar drafted most of Section II and large segments of the "Narrative" portions of Section XIII of this report. Mr. Golub was mainly responsible for the rest of the document.

B. **Mandate**

The team carried out its assignment guided by both official and informal instructions provided by the Mission and by USAID/Washington. The former are summarized by the Coopers & Lybrand Consultant Agreement's Scope of Work:

The objective of this task order is to obtain the services of two Democracy specialists who will visit Nepal to assess Democratic Institutions Strengthening Project activities. Assessment will be followed by brief overviews of successes and failures, rating of DIS Project progress, and advice to the Mission, grantees and contractors on the future course of the DIS Project. The evaluation will include consideration of the issue of equity as well as project implementation.

In addition, while in Nepal the team received an Addendum to its Scope of Work from USAID/Washington, mainly specifying that the close-out briefing with recently appointed Mission Director Philip-Michael Gary should address why a democracy program is important for the Mission, how the program will contribute to Nepal's overall development, and the current and potential progress of the program. The Addendum further explained that a very brief separate report on the meeting should be prepared for Asia Democracy Officer Richard Whitaker, with a copy for USAID/Nepal. That has been done.

Prior to visiting Nepal and while there, the team's discussions with Mr. Gary, Mr. Whitaker, Program and Project Development Office Chief Richard Byess and Democracy Program Manager Kathleen Ertur both fleshed out and focused the assignment in very useful ways. We were asked to undertake two central tasks and were encouraged to address related subsidiary matters. The two central tasks consist of the following:

- 1. Reassess the Mission's democracy program in light of the evolution of Nepalese democracy since 1991 and make recommendations that are as specific as possible regarding future directions for the program. The reassessment and recommendations should extend beyond DISP, to include other activities that USAID has supported (mainly under the Democratic Pluralism Initiative) and potentially could support.**
- 2. As specified in the Scope of Work, "devise and establish a rating system [for Nepal's democratic progress] in conformity with the Program Performance Information System (PRISM) in operation in USAID/Nepal." Furthermore, provide numerical ratings (with supporting narrative discussion) that will constitute baseline data for future assessment of such progress under PRISM.**

The subsidiary tasks are to consider the relationship of PRISM to USAID's democracy program and to draw on pertinent examples of democratic development activities in other countries in constructing the report.

C. Principles Guiding the Team

The team undertook its work sensitive to the limitations of any short-term consulting assignment and of how counterproductive it can be for individuals in a country for a few weeks to second guess the programming decisions made by persons based there. Having met numerous visiting consultants while based in Manila for the past six years, Mr. Golub is well aware of how even the most thoughtful visitors to a country can incorrectly weigh the opinions and credibility of those they interview. Regarding the current democracy strategy, then, we accordingly have been inclined to defer to the judgment of field-based personnel working for and associated with USAID. But this deference did not come automatically: our respect for their judgment has been reinforced by the good arguments we heard from them regarding why certain types of activities have been funded and why others have not.

The implications of these factors for our report are twofold. First, we confine our recommendations to a potential future strategy and the specific activities that it could generate, rather than questioning the very sound current strategy. In addition, we present these recommendations in a tentative manner, well aware that it is a mistake to reach firm conclusions during a short assignment.

II. THE CONTEXT OF NEPALESE POLITICS, SOCIETY AND CULTURE

Until 1990, Nepal's only experience with democracy on the national level occurred during an 18-month period in 1959-60 when a parliamentary democracy modelled on Great Britain was established. King Mahendra abolished this system in favor of one "closer to Nepalese traditions." He established a partyless system of panchayats (councils), a pyramidal structure progressing from village assemblies to a National Parliament under the King's supreme authority. In 1979, his successor, King Birendra, called for a referendum on the partyless panchayat system in response to student demonstrations and anti-regime activities. The referendum narrowly endorsed the system, though subsequently a Prime Minister was appointed by the King and panchayat elections were held.

In 1990, the alliance of leftist parties and the Nepali Congress (NC) party in a "Movement to Restore Democracy" resulted in strikes and demonstrations, the killing of over 50 persons by police gunfire, and ultimately the capitulation of the King, who dissolved the panchayat system, lifted the ban on political parties, and released all political prisoners. In April 1990, an interim government was sworn in. This government drafted and promulgated a new constitution in November 1990, "enshrining fundamental human rights and establishing Nepal as a Parliamentary Democracy under a constitutional monarch" (U.S. Department of State 1993, 5). Free and fair elections were held in May 1991, in which G.P. Koirala became Prime Minister after the NC won 110 of 205 seats. At the same time, the Communist Party of Nepal/United Marxist and Leninist (UML) won 69 seats. In May/June of 1992, the NC party won convincingly in local elections. Thus, the new central government has only been in office for less than three years, and local elected officials for less than two years.

Nepal is one of the world's half dozen poorest countries, with per capita income of less than \$200 per year. For nearly 100 years, until 1950, the ruling Rana family pursued a deliberate policy of isolation and illiteracy for all but an elite few. When the regime was ousted in 1951, "Nepal had virtually no schools, hospitals, roads, telecommunications, electric power, industry or civil service. Its economic structure was based on subsistence agriculture" (U.S. Department of State 1993, 7). Today, agriculture is still Nepal's principal economic activity, employing more than 90 percent of the population and generating more than half of the country's income. Although some progress has been made during the past 45 years in developing social services and infrastructure, much of the hilly and mountainous central and northern regions of the country are still inaccessible by road, with the inhabitants living in primitive conditions. The southern Terai area is richer, better developed and more densely populated. Tourism and carpet and garment manufacture for export have become the other leading economic sectors. Hydroelectric power has promise. But population pressure is severe, straining the carrying capacity of the middle hill areas. This situation will create intensified political pressures in the next few years as thousands of youths emerge from school and cannot find employment.

In the past three years, a positive start has been made in many respects to consolidate democracy in Nepal. A new breed of elected officials has taken power both in Parliament and local government. This new breed is less corrupt and more committed to socioeconomic development

than the old guard. Parliament has passed a number of useful bills; the Supreme Court has established its independence; and local government is beginning to get organized. Civil society is blossoming.

Nepal is not riven by the ethnic strife or religious factionalism seen in many other countries. There is ethnic concentration in some areas, but also "an extensive scattering of Nepal's different ethnic groups across the entire length and breadth" of the country (Bista 1991, 12). Hindu and Buddhist temples co-exist peacefully. Nepalis are not aggressive, having learned to live sandwiched cautiously between two much more powerful neighboring nations to the north and south.

On the other hand, as described by the DISP Project Paper, Nepalese society is characterized by "traditions of opaque, centralized decision-making; narrowly-based political patronage; caste, ethnic and gender inequalities; intolerance and lack of respect for civil rights; and tight control of media and public dialogue" (U.S. Agency for International Development 1992b, 1). These traits reflect and spring from the lack of any democratic political tradition on the national level (though village-level user groups and certain other local associations are relatively democratic).

Nepal's political culture varies according to ethnic group and region. It is somewhat democratic at the village level in those communities of Tibeto-Burmese stock (such as the Sherpa, Tamang, Magar and Limbus, and the Jyapu in Kathmandu Valley) (Bista 1991, 152). It is considerably less democratic among the Brahman (Bahun), Chhetri, Thakuri, Rajput and Newar Shrestha (Bista 1991, 43) who comprise the bulk of the country's leadership and educated elite.

Though slightly less impoverished than the rest of the country, the 45 percent of Nepal's population residing in the Terai suffers to a greater degree from unequal practices and social structures (many influenced by Indian culture). Unfair treatment of tenants by landlords exacerbates income inequality there. Dowry is prevalent (and slowly spreading to other parts of the nation), reflecting the fact that the status of women is even lower than in many other parts of the country. In addition, the thuggery that dominates the neighboring Indian states shows signs of influencing some parts of the Terai. Though inequities also characterize life elsewhere in Nepal, one source consulted by the Democracy Advisors explained that in many poorer communities "the dividing line is between those who can eat two times a day and those who cannot."

III. USAID'S SUPPORT FOR DEMOCRATIZATION IN NEPAL

This section aims to provide a brief overview of USAID/Nepal's extensive involvement in promoting and assisting democratization in Nepal in recent years.

The Mission's democracy program aims to strengthen Nepalese institutions that hold the greatest promise for achieving effectiveness and sustainability in supporting democracy and development. Many of these bodies and related activities fall within the rubric of the Democratic Pluralism Initiative (DPI). Much of this support, which dates back to 1990, flows or has flowed through

a Comprehensive Democratic Pluralism Initiative Project carried out by the Asia Foundation (TAF). These TAF-assisted activities have aimed to strengthen journalism, election processes, parliamentary processes, the legal system and respect for the Constitution. Non-TAF activities have included public opinion surveys, preparation of community education materials, NGO coordination, election research and observation, voter education and strengthening of parliamentary processes. They also have included training activities coordinated by the U.S. Information Service (USIS) under the Development Training Project (DTP). The DTP support mainly has been for international meetings and exposure tours (mostly in the United States, but also in the Asia and Europe). It has also included some in country initiatives.

Initiated in 1992, the Democratic Institutions Strengthening Project (DISP) now constitutes the core of the Mission's democracy program. Whereas a substantial part of DPI focused on assisting the initial transition to democracy through activities pertaining to elections and the Constitution, DISP concentrates on fortifying government bodies. Through a Comprehensive Democratic Institutions Strengthening Project carried out by TAF, DISP is supporting efforts to strengthen Parliament and the judiciary (mainly the Supreme Court). The third and largest major prong of DISP is its Local Government Strengthening Component (or Project). Concentrated in three districts with selected activities in a fourth, the project aims to promote effective generation of local revenues, as well as civic education geared toward enhancing the accountability of local governments. Other DISP-supported activities pertain to public opinion polling and NGO legal services and human rights advocacy.

Much of the democracy program's work has benefitted from cooperation and sharing of information facilitated by the inter-agency Democracy Coordination Committee. Chaired by the Ambassador or the Charge d'Affaires, this body's meetings are attended by other Embassy personnel as well as representatives of the Mission, USIS, the Peace Corps, the Local Government Strengthening Component of DISP and, recently, TAF.

The Mission's support for activities that contribute to democratization has embraced a number of additional projects, some of them initiated before 1990. These activities have included the Irrigation Management, Rapti and Forestry Development Projects, which strengthen local groups and government cooperation with them. Grants to CARE and Save the Children have supported their work with village development committees. Various activities that bolster civil society have been undertaken by the PVO Co-Financing Project's support for indigenous NGOs, the Sustainable Income for Rural Enterprise Project's assistance for user groups, and the Agroenterprise and Economic Liberalization Projects' work with business associations. While it is difficult to precisely delineate where the democracy program begins and ends, for the most part these additional projects are not part of the program because they mainly aim to achieve other very worthwhile development objectives. The exceptions are those activities, such as some supported under the PVO Co-Financing Project, that overlap with DPI or otherwise have the primary aim of promoting democratization.

IV. THE DEMOCRACY PROGRAM STRATEGY: A REASSESSMENT

A. Summary

In light of the context in which USAID/Nepal's democracy program evolved, our deference to the judgment of Nepal-based personnel who formulated the program and the sound arguments we heard regarding its present thrust, we strongly endorse the current strategy's central focus (as embodied by DISP) on strengthening the credibility and effectiveness of three important government institutions (local government, Parliament and the judiciary). We also find considerable merit in the program's other activities funded through DPI.

For the future, consistent with intra-Mission discussions that contemplate the possibility of scaling back support for Parliament and the judiciary, we recommend a shift in strategy away from these bodies and toward a focus on two overlapping areas: continued strengthening of local government performance and a greater emphasis on civic participation.

B. Current Strategy

The "Nepal Democracy Strategy" report written in 1991 recommended that "the primary strategic objective of the Nepal Democracy Strategy should be maintaining the democratic opening provided by the creation of transitional democratic institutions during 1990-1991," and outlined how potential activities could fit within the (then) Asia and Private Enterprise Bureau's Asia Democracy Program Strategy program elements of Voice, Choice, Governance, Redress and Accountability (Gasti¹ et al 1991, 8). Though Mission-funded activities fall within all five of these categories, the central focus of the strategy that has evolved is reflected in the DISP Project Paper's support for strengthening the credibility and effectiveness of three important government institutions (local government, Parliament and the judiciary) "by putting systems and people in place which, after a few years, can operate effectively without further external financial assistance" (U.S. Agency for International Development 1992b, 13). We strongly endorse this current focus and the Mission's broader democracy program that includes other activities funded through DPI.

The Mission especially merits praise because its democracy program has evolved in a period of rapid and surprising change in Nepal. Putting together such a program even in a society where the institutions are stable and the individuals involved are well known is a great challenge. The task becomes tremendously more daunting when it is undertaken while an entrenched system of government crumbles, a new constitution is drafted and introduced, national and local elections are held, and a complicated array of new faces and forces attain power and prominence. Some significant problems with the program might have been expected under such turbulent circumstances--not due to errors of judgment, but simply because so much cannot be predicted.

It is a noteworthy accomplishment that the Mission's program is instead riding this wave of change in an adept manner that holds considerable potential to contribute to Nepalese democracy. It is also impressive that Democracy Program Manager Kathleen Ertur has overseen the program's recent development with great thoughtfulness and finesse while very competently handling its substantial administrative demands.

The team approached its analysis of the current strategy with respect for the judgment of Nepal based personnel who had decided that DISP should focus on three government institutions, but with a certain caution regarding such activities. One of the few lessons that cuts across donor experience worldwide is that efforts to improve judicial performance have been highly problematic, at least partly because such efforts cannot address the deeply rooted forces and attitudes that shape most nations' judiciaries far more powerfully than inadequate training or resources (Carothers 1991, 210-226; Golub, Gonzales and La Vina 1994, Appendix 2). Mr. Golub was similarly skeptical of assistance for elected bodies, out of a concern that such activities focus on elites who have agendas other than equitable national development.

Nevertheless, we heard convincing reasons from Mission personnel and from the Asia Foundation (TAF) Nepal Representative Suzanne Wallen for working at least initially with the judiciary, Parliament and local government in Nepal's fledgling democracy. Much of TAF's DISP-supported work with the courts, for example, aims not for the broad and extremely difficult goal of improving overall judicial operations, but rather for bolstering the newly independent Supreme Court under the leadership of its widely respected Chief Justice. Such support might help the Supreme Court to check executive branch excesses and to select and decide important cases.

As for the Parliament and the elected local government bodies known as District Development Committees (DDCs) and Village Development Committees (VDCs), the team heard many more positive descriptions of their members than one would hear about elected officials in other relatively recently reestablished democracies such as the Philippines, Pakistan or Bangladesh. This may be because many of the newly elected Nepalis did not profit from the corrupt, ineffective panchayat system that held sway for nearly three decades. In view of such comments and the inexperience of the members of Parliament, VDCs and DDCs, initial attempts to educate these individuals regarding their responsibilities and to establish appropriate structures such as Parliament's committee system seem warranted. In fact, one newspaper editor we interviewed offered unsolicited praise for the committee system, noting that it cut down on unnecessarily prolonged discussion of legislation and other matters--precisely one of the aims the Mission hoped to achieve.

C. Potential Revised Strategy

While bolstering central government institutions such as the Supreme Court and Parliament might well make sense during these first few years of Nepalese democracy, over the longer term the Mission should consider phasing out such support (as anticipated in the DISP Project Paper cited above) and grappling with more fundamental constraints on Nepal's democratic

development. These are: 1) the centralization of revenue-generation and decision-making that help perpetuate rural poverty by denying resources to outlying areas, and 2) the domination of government by high caste males in a manner that excludes women, lower castes and most ethnic groups from effectively participating or having their most important concerns addressed. The first constraint is already addressed under the current strategy, which makes local revenue generation one of the two main prongs (along with civic education) of the Local Government Strengthening Component (LGSC) of DISP. However, there are a few respects, discussed subsequently in this report, in which the Mission could expand on this effort to increase local government control of revenues.

The Mission also is already addressing the second constraint to a certain degree through elements of its democracy program, as well as through other activities it is supporting. The recommendation here is to attach greater emphasis to such elements and activities while gradually shifting resources from support for Parliament and the judiciary. This suggested shift in emphasis springs from a view that democracy in Nepal will be confined to elite competition and deliberation unlikely to adequately address the needs of most citizens unless those citizens begin to possess the sophistication, organization and political and economic independence necessary to exert influence over their elected representatives. True, today's elected officials may merit **relatively** high assessments of their initial dedication and honesty. But we should emphasize that in **absolute** terms--that is, not when compared to what a visitor to certain other Asian nations would hear about their politicians--the comments the team heard in interviews were mixed and tended to be more positive for VDC and DDC members than for Parliamentarians. Furthermore, even their relative honesty may fade. With more time in office, the temptation and capacity to exploit rent-seeking opportunities will only increase, as may their skill at doing so.

Perhaps most fundamentally, many members of Parliament, DDCs and VDCs may be unlikely to act contrary to narrow interests and their own attitudes unless constituent-imposed accountability makes them do so. This reality is not unique to Nepal, nor even to developing societies. It is, in fact, rooted in the rational calculation that any legislator in any society must make in assessing his or her chances of electoral success. To the extent that the electorate holds the legislator accountable for acting honestly and responsibly and for trying to address constituent needs, that individual is more likely to act accordingly. To the extent that constituent attitudes, ignorance and political behavior (including but not limited to voting) tolerate corruption and poor performance, the legislator is more likely to indulge in conduct that benefits relatively few.

Of course, altruism and devotion to duty can and should affect public officials' performance. But just as a merchant acting in his or her own self-interest is far likelier to conform to the laws of supply and demand if subjected to market forces, a legislator is likelier to act responsibly if subjected to scrutiny by an informed, assertive electorate. To bring the implications of this analysis down to a more concrete level, the long-term growth of awareness and activism by Nepalese women (or ethnic groups, or low caste populations) will better contribute to improving their status than will training elected officials and refining parliamentary processes.

Former State Department attorney Thomas Carothers makes a similar point in perhaps the most thoughtful external, independent review available of a major U.S. Government-supported democratization effort. Commenting on the problems encountered by a "top-down" program initiated by the State Department and funded by USAID in Latin America in the 1980s, Carothers asserts the following:

[A] political development assistance strategy oriented . . . toward governmental institutions . . . tends to ignore the profoundly antidemocratic underlying political and economic structures of the societies and to focus on modifying institutional forms that are often of peripheral importance in real terms. It also tends to encourage the general tendency of the United States to concentrate its political attention on the elite ruling groups and not to involve itself with the many other sectors of society that have long been disenfranchised and must be incorporated into a participatory political process for democracy to take root (Carothers 1991, 224-225).

Clearly, Nepal is not Latin America. And as already noted, neither is it the Philippines, Bangladesh or Pakistan. But the fundamental point remains valid. Once formal democratic institutions and processes (elections, a legislature, the courts) are operating, as the current Nepal democracy strategy seeks to ensure, the more fundamental challenge is to move toward a strategy that attaches the sinews of popular understanding and meaningful participation to that skeletal structure.

D. Shifting Strategies

If the above discussion sketches a future strategy, when should implementation of that strategy begin? Now. This is not to say that the Mission should abandon the very worthwhile programming it has initiated or the commitments it may have made. (The Chief Justice, for example, eagerly anticipates support for several activities.) But to the extent that the Mission is not committed or that experience indicates that certain planned grants are low priority or do not merit funding, it can start to shift support to pilot civic participation projects or other initiatives that are worth exploring. In the alternative, it could provide support to such initiatives from other sources, without draining that planned under the current strategy.

In fact, a gradual (rather than sudden) shift makes sense under any circumstances. With respect to current emphases, it would allow the Mission to encourage the Parliament and judiciary to start identifying other sources of support (be they donors or government resources) and to undertake planning that does not hinge on Mission guidance or ideas. As for the proposed strategy, investing in experimentation now could pave the way for wise use of heftier support down the line.

V. IMPLICATIONS OF THE REVISED STRATEGY FOR PROGRAMMING

The discussion thus far has necessarily taken place on a level of strategic generality regarding the enhancement of civic participation and local government control of revenues. As requested by Philip-Michael Gary, the team also should chart some specific directions that future programming could take. This section attempts to do so, but we should emphasize that the potential initiatives presented below are by no means an exhaustive list of what could be undertaken. In fact, it is likely that the most appropriate ideas will come from Nepalis themselves, supplemented by those of Mission personnel and international NGOs with which the Mission works. Our specific suggestions, then, are at most only a starting point for discussion. We acknowledge that their feasibility can only be determined by Nepal-based personnel.

The three programming categories discussed below overlap. Because civic education and local revenue generation constitute the central thrusts of the Local Government Strengthening Component (LGSC) of DISP, they directly pertain to the broader array of activities that comprise the categories of civic participation and local government control of revenues. But because LGSC is a discrete set of activities that merits separate comment, discussion of it is not divided between the other two categories.

To which category should the Mission attach highest priority? This can and should naturally evolve as Mission personnel and partner organizations gain insights borne of further experience working to strengthen Nepalese democracy. Nevertheless, the tentative recommendation of this report is that the category of "Civic Participation," and especially the subcategories of "Nongovernmental Contributions to Policy Formulation" and "Nongovernmental Participation on Local Level" receive the greatest attention. This is because they most directly address the structural inequities in Nepalese society. For the same reason, we recommend that improving the status of women be a cross-cutting theme that receives special Mission emphasis in all three categories.

A. Civic Participation

For the purposes of this paper, civic participation can be characterized as citizen involvement in activities that potentially affect government actions and decisions. Obviously, this can include initiatives as basic as voter education. But a wide array of other activities can be supported in order to foster well-informed, broad-based and responsible civic participation that is ongoing rather than confined to balloting. Many such activities already are supported by the Mission's democracy program and merit continued funding.

1. Nongovernmental Contributions to Policy Formulation

By trying to improve Parliament's processes and capacities, DISP indirectly aims to improve the overall substantive quality of legislation produced by that body. But support for nongovernmental participation in national policy formulation may yield more direct avenues for benefiting marginalized sectors of the population.

As used here, "policy formulation" embraces more than legislation. It also includes other macro-level decisions such as those promulgated by ministries and the design of major development programs (since these programs can affect large populations, especially in an aid-dependent society such as Nepal).

Recommendations

- a. The Mission could directly support policy advocacy regarding, for example, the status of women. To a limited extent, it is already doing so by funding the Society for Constitutional and Parliamentary Exercise (SCOPE), an NGO that, along with its other activities, is focusing on women's issues. Regardless of how effective SCOPE is, the Mission could complement such support by funding the advocacy work of existing or potential NGO coalitions. Among the myriad issues that such advocacy might tackle are endemic violence against women and discrimination regarding property and inheritance laws.
- b. What might funding for advocacy entail? If politically feasible and if nongovernmental entities are so inclined, it could cover the compensation and expenses of individuals trying to influence the formulation of policies by Parliament, ministries, the Law Commission and other bodies. The potentially controversial nature of such support could be diminished by funding only groups concerned with issues (such as the status of women) which do not directly benefit American interests.¹
- c. In addition to or instead of this kind of support, many other nongovernmental activities could contribute to policy formulation. Workshops could familiarize groups with how to maximize their capacities to influence government decisions on often overlapping issues such as human rights, the status of women, caste discrimination and the environment. It could be, for example, that one NGO coalition's unsuccessful strategy of trying to increase penalties for rape through a private member's bill in Parliament was not the best approach to take, and that working through the Law Commission, relevant ministries or even informal connections such as the Queen, who played a leading role in bringing about modest improvements in the status of women during the panchayat era (Acharya 1994, 10), might achieve more.
- d. Other workshops might acquaint NGOs with how to use media to press for policy reforms. These also might provide the vehicles for NGOs and journalists to become acquainted, thus facilitating future cooperation.
- e. Conferences might provide venues for government policy-makers and nongovernmental advocates to make contact and exchange ideas. Regarding certain issues, foreign donors and international human rights groups might participate and provide NGOs with additional leverage for influencing policy.

¹ We should note that benefit to American interests need not bar USAID involvement with policy formulation. For example, U.S. corporations stand to profit from such USAID-assisted activities as economic liberalization.

f. USAID particularly might want to facilitate consultation between advocacy-oriented groups and the Law Commission. The latter has impressive leadership. However, the Law Commission seems to be relying mainly on outside advisors and the laws of India, Bangladesh and its other subcontinent neighbors for input into its legislative drafting responsibilities. Increased consultation with nongovernmental groups could help the Commission to fine-tune the substance of legislation, while familiarizing those groups with the technical requirements of clear, well-crafted bills.

g. As NGOs become more sophisticated, they will pay increasing attention to the budgetary process that really determines what government will and will not attempt to do. USAID could support training designed to familiarize NGOs with the importance of this process and how it functions.

h. Some of the activities described above might be integrated with current or potential USAID-supported research and public opinion polling activities to try to address selected issues in a comprehensive manner. Certainly, advocacy-oriented NGO work often should build on an appropriate research base. To cite a more specific example, some of the aforementioned activities might mesh with the efforts of the USAID-supported NGO LEADERS and the TAF-supported NGO INSEC to attack the problem of bonded labor.

i. In some countries, though not necessarily Nepal, USAID and other donors walk a thin programmatic line that deserves attention. On the one hand, they promote economic liberalization. On the other, they work on different issues with equity-oriented groups that harbor ill-informed suspicion of opening up the economy or somewhat better informed concern regarding its short-term impact. Under DPI, the Mission already took the worthwhile initiative of targeting support for an effort to educate appropriate audiences about economic liberalization. To the extent that the need exists in Nepal, it might consider funding further education and fora for individuals and organizations concerned with both sides of this issue. Those who question economic liberalization might learn how it serves society and advances equity in the long run. Policy makers involved in implementing economic liberalization might better understand why some groups are wary, and might be better able to avoid problems other developing societies have faced by instituting consultative processes and other devices that could ameliorate any negative impact on the environment, employment, etc.

2. Nongovernmental Participation on a Local Level

One possible lesson that has emerged from democratic development experience in other Asia nations is that grassroots education programs may have the greatest impact when they are coupled with or build on development efforts that strengthen the economic independence and/or organizational cohesion of affected groups and communities. In one Philippine province, a 2,000-strong farmers' association, KASAMA, has been able to pursue land reform successfully because training provided by a legal services NGO has dovetailed with another NGO's organization of the farmers and a donor-supported revolving credit fund that reduces their dependence on landlords. In a small section of Bangladesh, a 20,000-member women's

movement, Banchte Shekha, has converted traditionally male-dominated mediation procedures (which tend to treat women involved in family disputes as a cross between property and liability, even where NGOs are involved) into far more equitable processes by virtue of combining civic education with organization, paralegal training, female livelihood development and resulting political power.

Since only 52 percent of Nepalese men and 18 percent of Nepalese women are literate, it already is widely recognized that effective civic education often should build on or be integrated with basic adult education. But integrating civic education with other development efforts also is worthwhile because, when it comes to political activity, the saying that "knowledge is power" may be incomplete and potentially misleading. More fundamentally, organization is power and economic independence is power. Knowledge of how government should work builds on those attributes.

Does this relegate civic education and related work to mere "icing on the cake" of more fundamental development efforts? While it is true that literacy, organizing and economic empowerment can themselves trigger political change, the process can be catalyzed by familiarity with how government is supposed to work and how to try to make it perform. For example, a user group that is unaware of the responsibilities of DDCs and VDCs is less likely to make those bodies act responsibly, even if its members are literate, organized and somewhat economically independent.

The Local Government Strengthening Component (LGSC) of DISP already emphasizes civil education, as discussed in Section V.B. But even outside of LGSC, civic education and participation thrusts of the proposed strategy might expand on USAID's other rural development efforts, in the ways described below.

Recommendations

a. The Mission could try to build on its current and previous support (outside DISP and DPI) for CARE, Private Agencies Collaborating Together (PACT), Save the Children/USA and other indigenous and international bodies to specifically aim to cultivate greater civic participation and responsibility on behalf of groups, communities, VDCs and DDCs with which these organizations already are working. It similarly could build on its work with water user, farmer and forestry management groups through the Irrigation Management, Rapti and Forestry Development Projects. It also might look into supporting civic education activities in communities where other donors' support has paved the way for greater civic participation. Under all of these circumstances, the civic education exercises would focus on the felt needs of the target audiences, helping them to identify how local resources, revenue and activism can help them address their greatest priorities.

b. The Mission could support analogous efforts in areas where there has been little work regarding literacy, livelihood or organizing. Under these circumstances, it would integrate civic participation initiatives into activities that incorporate those more basic developmental thrusts.

c. A key component or central feature of any civic participation work should be efforts to educate the population regarding the justice and benefits of according equal status to women (and, where appropriate, lower castes and ethnic groups). The specific foci of such efforts could include the importance of girls staying in school (and marrying later), changing attitudes regarding violence against women, and the merits of livelihood, credit and literacy training for women. Again, to the extent possible such efforts should build on or be integrated with more basic developmental thrusts.

d. Though working with political parties can be risky, the Legal Research and Development Forum (FREEDEAL) claims success with nonpartisan training of rural women affiliated with political parties in order to increase voter turn-out in 1991. That is, a higher percentage of the electorate apparently voted in those districts where FREEDEAL's "Leadership/Trainers Training Program on Election Law for Women" operated, in comparison with those districts not covered by the program (Legal Research and Development Forum 1991). Given this experience, there may be the potential for FREEDEAL or another NGO to work with such women (who already are at least relatively active and politically aware) to address gender issues.

3. Journalism

We heard numerous complaints about the quality of Nepalese journalism, ranging from "one-source reporting" to irresponsible accusations to vague accusations regarding unspecified parties' activities. We include Mission-supported efforts to improve journalism under the broad heading of civic participation because the main goal of such work is to help cultivate a well-informed citizenry that can better contribute to and monitor government performance. This better informed participation will range from the simple act of voting to the far more complicated task of policy formulation. The Mission already has supported and is supporting journalistic training and other activities through its DPI grant to TAF. In addition to those worthwhile endeavors, it also could consider the following.

Recommendations

a. Above and beyond conventional training activities, one potential approach to improving the quality and impact of print media is to support investigative reporting. The Asia Foundation has done so in the Philippines and Thailand by funding NGOs that in turn fund or undertake investigative journalism. Of course, a prerequisite for such an initiative is that foreign funding for it be politically palatable in a given society. Yet this need not be the great obstacle that it might at first seem: The Philippine Center for Investigative Journalism (PCIJ) was launched with TAF support at a time when the debate over U.S. military bases intensified some Filipinos' historical suspicion of a hidden agenda behind any American-funded activity. The political risks were mitigated by structuring the grant so that PCIJ had complete control over the articles it would commission, with no requirement of prior discussion of those articles with TAF before they appeared in Manila newspapers. The result has been a high quality organization that has

provided what is in effect a training ground for young journalists engaged in in-depth reporting. Covering the environment, the legal system and many other fields, PCIJ has produced award-winning articles, exposed high level corruption and had a concrete impact on certain government actions and decisions.

In Nepal, it is possible that the risks could be reduced by sharing funding with other donors and by proscribing USAID support for articles covering certain particularly sensitive topics. This would not be the same as censorship, for the grantee would only be barred from using USAID funds for those topics--not from covering them at all by using other resources.

A more substantial obstacle to such an undertaking would be the absence or lack of interest of appropriate Nepali journalists who combine the aptitude, integrity and political independence to manage an organization such as PCIJ. We did not have time to delve into this question while in Nepal. But despite widespread criticism of low journalistic standards, there do seem to be many journalists who are or could become exceptions to this rule.

b. If neither biased nor politicized, a very basic Nepalese equivalent of the Columbia Journalism Review could scrutinize press coverage in a manner that praises professional coverage and critiques poor work. Such a publication has been launched in the Philippines and is of a high caliber.

c. An initial step toward assessing the potential for an endeavor like the PCIJ or a journalism review, providing support for it and/or simply stimulating thinking about the potential for responsible journalistic reporting would be to bring in appropriate Asian resource persons. Two appropriate individuals are identified in Appendix 1.

d. Multi-month internships at American news outlets might improve the skills of sufficiently sophisticated Nepalese journalists. The Asia Foundation apparently supports a program that combines such internships with short-term academic grounding regarding journalistic standards and skills.

4. Legal Services

It is an unfortunate fact in many developing countries (and perhaps some developed ones) that lawyers are more part of the problem than part of the solution to the conditions that perpetuate inequity and restrain growth. Both in terms of the elite interests it serves and its orientation toward costly, drawn-out litigation, the established bar in a given country may have little to offer the vast majority of citizens. In the alternative, it may be progressive regarding constitutional and civil liberties matters, but regressive concerning social and economic issues that more directly affect most people in a developing society.

Our brief visit did not put us in a position to assess whether Nepal's legal profession should be characterized in this manner. Certainly, the Nepal Law Society seems to be playing a positive role regarding civil and political rights. We met several young lawyers and law students (mainly

through the Youth Lawyers Association for Justice and Human Rights and the USAID-supported Legal Aid Consultancy Center) who apparently want to tackle gender, class and caste inequities. Right now, Nepalese legal services mainly seem to consist of worthwhile activities that deserve continued support, but that are essentially defensive in nature. These are human rights advocacy, traditional legal aid for individuals and community education sessions. (We believe that there is a TAF-funded legal aid program based at Tribhuvan University, but do not know whether it has a more comprehensive orientation). What these individuals and organizations seem to lack, and what the younger individuals in particular might benefit from, is exposure to broader perspectives on how law and lawyers can serve development in ways that bolster civic participation. Properly employed, developmental legal services (DLS) can mobilize affected groups to obtain enforcement of somewhat progressive laws regarding land tenure and the status of women that in Nepal (as elsewhere) are widely disregarded.

Recommendations

a. The Mission should consider familiarizing young lawyers and law students with the school of NGO thought and practice that we will call developmental legal services (DLS). (In some developing societies, this same approach is known as alternative law, legal resources or structural legal aid.) Though its nature varies from country to country, perhaps the characteristic that most fundamentally distinguishes DLS from traditional legal aid is that the latter, at best, operates within the narrow confines of the judicial system to cure a particular individual's legal problems, whereas the former aims to use the law as part of a broader organizing effort designed to assist clients' overall economic and social progress. To pursue this goal, developmental legal services NGOs generally work with client communities or associations rather than with individuals, usually regarding social, economic and environmental issues. They strive to eschew the traditionally hierarchical lawyer-client relationship in favor of a developmental approach in which the clients' needs help define the problems to be solved. The lawyers' services fit into a strategy that usually extends beyond strictly legal issues to address social, economic and political problems.

DLS combines activities that are, for lawyers, both traditional and unconventional: court litigation; operating before quasi judicial fora; securing executive agency and local government services, concessions and permits; broad-based, nonformal legal education; specialized paralegal training, which creates corps of skilled lay persons who can assist or substitute for lawyers to a certain extent; efforts to establish progressive jurisprudence; and working through legislatures and executive agencies to achieve law and policy reform. DLS NGOs' concerns and clients include farmers, fishing communities, women, upland groups, the urban poor, labor and the environment.

b. Now that DLS has been described, what would exposure entail and what might it accomplish? The best approach would probably involve bringing appropriate Asian attorneys (a few of which Appendix 1 identifies) to Nepal to discuss the approach, describe what it has accomplished in their countries, learn about the constraints that apply in Nepal and advise the Mission accordingly. This seems preferable to sending Nepalis to other countries, because at this point

it is very unclear which Nepalis would most benefit from such travel. The modest goals at this point would be to "spread the word" about the DLS approach, provide some advice on whether and to what extent it would be viable in Nepal, and spark interest that might evolve into Nepali initiatives. Asian attorneys also might lend their knowledge to any NGOs (and conceivably even government bodies) involved with these attorneys' areas of expertise.

c. If legal services are to take a more proactive role in Nepal and if the legal profession is to play a more progressive part regarding social and economic issues, improvements in legal education will be important. The Mission already is supporting innovative initiatives such as the Legal Aid Consultancy Center's (LACC) work with female law students. Based on our discussions with law students, it seems that additional USAID support for clinical work, study of practical legal issues in the curriculum, and more opportunities for women and other disadvantaged populations also could improve the quality and impact of legal education.

5. Broad-based Public Education and Information

Though we are uncertain of the effectiveness of broad-based civic education in terms of assisting specific groups and communities to participate effectively in the government decisions that most concern them, it is nevertheless generally desirable in terms of exposing society to new concepts and knowledge that might eventually affect public attitudes and participation.

Recommendations

a. To the extent that working with the relevant ministries seems feasible and potentially productive, the Mission could consider supporting revisions of the formal school curriculum so that it inculcates knowledge and attitudes pertinent to democracy. This need only be undertaken, of course, if no other donor is prepared to do it. We received the impression from discussions at Tribhuvan University that no thought has yet been given to this, but this may not be true.

b. Particularly in view of the low literacy rate and the limited distribution of newspapers, the Mission also should consider supporting radio as a channel for civic education and other programs that will provide the citizenry with more diverse and informed news and information on public policy issues. (Reportedly, one third of households have radios and an even higher percentage of the population listens to them communally while at work or in the evening.) This might be done through TAF, which already supports the Nepali Press Institute. The latter is reportedly exploring this avenue. There was some disagreement among our interviewees as to whether the Government will permit radio and TV to air diverse viewpoints, including anti-government views. This needs to be tested and put on the policy dialogue agenda if the Government proves reluctant.

B. Local Government Performance

The Local Government Strengthening Component (LGSC) of DISP constitutes a promising effort to put in place pilot activities that pertain to the two thrusts of the proposed strategy (that is, increasing civic participation and local government control of revenues), in that the two main prongs of LGSC work involve civic education and local revenue generation.² We agree with Program and Project Development Office Chief Richard Byess' opinion that of the activities supported under DISP, LGSC has the greatest long-term potential, which is why this is the one major component that is a high priority within both DISP and the proposed strategy.

Recommendations

- a. The main recommendation is that the LGSC proceed as planned, identifying opportunities for revenue generation, civic education, dispute resolution and other activities that will strengthen local government performance. There could well be justification to continue it beyond its current time frame.
- b. We also endorse a planned LGSC initiative that will expose DDC and VDC leaders involved with LGSC to districts where the generation and utilization of local revenues historically has occurred at a much higher level than in most of Nepal. Should initial efforts along these lines prove fruitful, the LGSC and the Mission might even want to arrange visits by additional local government leaders from both within and outside the LGSC target districts.
- c. Given that the low status of women severely inhibits their effective participation in local government, we also recommend that the LGSC consider retaining the services of an appropriate consultant to advise on how LGSC can address endemic discrimination against women. One possibility is a former New Delhi-based Ford Foundation program officer familiar with such issues in the subcontinent.
- d. As noted above, some experience with civic education in the Philippines, Bangladesh and elsewhere indicates that it works most effectively in tandem with a blend of literacy, organizing and economic activities. That is, to the extent that citizens are less politically isolated (by virtue of membership in organized groups) and more economically independent (by virtue of income and/or credit that does not depend on local power brokers) they are more likely to vote independently and to demand accountability of their elected representatives. Where possible then,

² Clearly, LSGC was not designed with the proposed strategy in mind, but there is, as we have already noted, considerable overlap between the current and proposed strategies.

the LGSC civic education efforts could try to build on previous literacy/organizing/grassroots economic development work supported by the Mission, international NGOs through which it works³ or other donors. This may be especially important regarding LGSC efforts to improve the status of women.

e. One problem that LGSC seems to be encountering in Gorkha is the potential political necessity of spreading its activities across the district's three parliamentary constituencies. The geography of Gorkha makes this problematic if the LGSC efforts there are to be most effective. A possible way of getting around this difficulty might involve persuading the DDC that it is best to focus on the revenue-generating potential of the northern section's nascent tourism industry, which will bring in funds that could benefit all parts of the district.

f. Perhaps LGSC should be prepared to employ its dispute resolution activities or leverage in a given community if potential (though not inevitable) tensions arise regarding the two prongs of its work. On the one hand, LGSC aims to increase the capacities of DDCs and VDCs to raise and make good use of local revenues. This obviously entails working closely with the leadership of these local government units. On the other, LGSC seeks to increase citizen awareness of the responsibilities of those officials so that they will be accountable to the electorate. In addition to simply providing information, this could involve inculcating a critical (though not confrontational) perspective on the part of citizens accustomed to operating in a deferential manner within a hierarchical society.

At least one way in which problems could arise is if DDCs and VDCs do not act responsibly in raising and spending revenues. To the extent that the civic education activities are effective, the officials will be held accountable by their constituents and might blame LGSC staff for this development. Hopefully, of course, the local government bodies chosen for involvement with LGSC will not act irresponsibly. But there is no way of absolutely precluding such difficulties, even given the most careful LGSC preparation. Aware of this potential tension, the Chief of Party aims to proceed with appropriate caution.

C. Local Government Control of Revenues

Above and beyond the LGSC aim of maximizing generation and effective use of revenues by DDCs and VDCs, there may be additional ways in which the Mission could address a slightly broader goal of increasing effective local government control of revenues. That is, above and beyond assisting local governments to raise revenues through LGSC, the Mission also could seek to improve pertinent laws and their implementation so as to increase local governments' share of the national pie. This could be attempted through or apart from LGSC.

³ Employing USAID support, Save the Children/USA has been active in at least two of the districts where LGSC is operating.

a. Laws regarding local revenue generation and retention apparently need to be changed. For example, VDC revenue-generating authority is very limited. And while 50 percent of certain revenues collected by the central government should be returned to DDCs, this has been interpreted by the government to permit deduction of considerable administrative costs from that 50 percent. The government reportedly was reluctant to grant considerable control over local revenues to DDCs and VDCs when the pertinent legislation was passed, out of concern that the (then) upcoming local elections would be dominated by the opposition. Because this did not turn out to be the case, it is possible that the government might be amenable to amending these laws.

How can USAID assist this? Of course, any mobilization of DDCs and VDCs for this purpose could prove significant. But if this proves too problematic, the Mission could determine whether SCOPE or other NGOs could play a role. It might also engage in a direct policy dialogue with the government and bring in an appropriate consultant (preferably Nepalese) to help the Law Commission draft pertinent legislation.

b. Both in Gorkha and Kathmandu, there were reports of the central government retaining or delaying the release of revenues that were due DDCs. The Mission could try to address this problem by training or mobilizing DDCs in ways that would familiarize them with the processes involved and how to press for release of such funds.

c. Could the DDC and VDC leadership from across Nepal constitute an independent political force, crossing party boundaries, in favor of local control of revenues and other aspects of decentralization? Given the often intense squabbling that characterizes inter-party (and sometimes intra-party) relations down to a local level (not to mention the fact that DDC members may not always share the same priorities with VDC members), we are not sure that the Nepalese equivalent of a League of Governors is feasible. But pertinent conferences and grantee travel within Nepal might explore this possibility. Another option would be to accept the political divisions as an unfortunate obstacle to cross-party coalitions in this area, but nevertheless determine if any intra-party initiatives could be supported. The growing influence of some DDC personnel could help them stimulate government formulation and implementation of appropriate legislation.

VI. IMPLEMENTING A STRATEGY

Certain considerations ought to guide the Mission's implementation of the strategy proposed here, or of any strategy that features some of the same elements.

A. Flexibility

Unfortunately, the team did not focus a great deal on the significant issue of flexibility in administering democracy programs because it was addressing important tasks that were specifically assigned to it. Still, here are a few general thoughts that hopefully can be considered in light of USAID/Nepal's new status as an "experimental Mission."

Recommendations

1. Because a democracy program should evolve rather than spring fully planned from a series of detailed documents, the Mission's effectiveness will be enhanced if it can outline its future goals and program in the most general way. This will allow it to make specific funding decisions over time in response to changing conditions in Nepal and as it learns which grantees merit continued support.
2. The Democracy Program Manager should have the maximum amount of leeway in deciding which activities to fund and in amending grants. More specifically, few if any other Mission personnel should be involved in "signing off" on these decisions.
3. Without undermining auditing requirements, the budgets of grant agreements should be as flexible as possible. Line items should not be so narrow or specific that considerable grantee and Mission time is taken up with amending budgets.
4. While issues of LGSC flexibility are most appropriately settled between its Kathmandu office and its U.S.-based contractors, the Mission could diplomatically take a position in favor of adjusting the budget and plans where appropriate. For example, less short-term technical assistance than currently anticipated might permit the LGSC to support more longer-term in-country activities.
5. Working through intermediary organizations can significantly increase flexibility if USAID's agreements with those parties so permit. A model agreement worth scrutinizing is the 1993 grant that USAID/Philippines' Office of Voluntary Cooperation made with TAF's Manila office to fund a democracy project. The document allows TAF to identify and fund subgrantees as the project progresses (rather than prior to the agreement's finalization) as long as the Mission offers no objection. It also provides a great deal of flexibility in adjusting subgrantee budgets. As a result, the agreement saves USAID, TAF and most of all subgrantees a considerable amount of time that otherwise would be consumed by paperwork, allowing all parties to concentrate more on the substance of development. To the extent that the Mission has the requisite confidence in any intermediary organizations in Nepal, such an agreement is worth emulating.

B. Structuring Support for Civic Participation

We should address two potential constraints on the expanded emphasis we attach to civic participation. First, we heard numerous comments from Nepalis and foreigners alike regarding the exceedingly entrepreneurial approach of numerous Kathmandu-based NGOs. It seems that many such organizations were launched to take advantage of the influx of donor funding in recent years, that some of the individuals involved split their time (and effectiveness) among a number of different NGOs, and that at least a few of these groups are "family affairs" formed by husbands and wives or by other combinations of relatives. Some NGOs also practice partisan politics. USAID has been more careful than some other donors about rushing in to fund such groups, but the potential problem remains.

The other constraint pertains to the relative lack of political sophistication of most NGOs, user groups and other organizations in rural Nepal. Most are narrowly oriented around religious, service or basic livelihood activities. Raising their level of awareness and activism to that required by democratic development work could be a challenge.

Recommendations

1. Our first recommendation is that the Mission not be discouraged by these facts regarding NGOs. If the experience of the Philippines, Bangladesh and other societies is a guide, to some extent these problems will take care of themselves. Both the more effective and the more bogus NGOs will become more evident over time. New leaderships and new organizations that merit support will arise. Unsophisticated groups will gradually "learn the ropes."
2. As demonstrated by our discussions with Mission personnel, USAID can and already is consulting with other donors to avoid funding groups with poor track records or questionable financial practices.
3. The Mission should be prepared for the strong possibility that one or more groups it supports may prove disappointing. It would be surprising if this did not happen, because development work in general and democratic development in particular involves risks and judgment calls. In fact, if the Mission's democracy program does not encounter some failures (including failure due to misjudging the dedication of a grantee) in its initial stages and even over the longer run, it will be proceeding too cautiously. This applies to work with government as well as with NGOs. The challenge for USAID/Nepal is to gradually build a program that learns from these experiences and that is comprised of an increasing percentage of demonstrably reliable, effective grantees.
4. Flexibility can benefit structuring support for civic participation. If Mission personnel are less burdened by paperwork, they will be better able to focus on the substance of development, which includes ascertaining which current and potential grantees most merit support.
5. The less burdensome administrative requirements of international NGOs with which the Mission is working (e.g., TAF, PACT, Save the Children/USA) gives them the capacity to work closely with Nepali NGOs so as to ascertain how to strengthen those that are not very politically sophisticated and to avoid investing Mission funds in those that are too entrepreneurial. They could serve very usefully as intermediaries regarding civic participation.
6. Another potential intermediary is the NGO Federation. Its widely respected leadership is trying to enforce ethical standards on the part of membership organizations. An umbrella grant to the Federation for civic participation activities carried out by rural NGOs or policy advocacy by Kathmandu-based groups, for example, could be structured so that the Federation itself plays

the key role regarding screening proposals by members, administering the funds and enforcing sound accounting procedures. The Canadian International Development Agency in the Philippines has an apparently productive arrangement along these lines with an NGO coalition there.

7. None of this is to preclude USAID from working with government bodies to strengthen civic participation. It may conceivably find, for example, that the most reliable grantees for certain kinds of training or workshops aimed at facilitating NGO involvement in policy formulation are the Parliament's Secretariat or the Law Commission.

C. International Visitors Program

Funded by DPI's Development Training Project, the USIS International Visitors Program (IVP) has organized democracy-oriented educational visits to the United States and occasionally to other countries. These mainly have benefitted government officials, but journalists and a few academics and NGO leaders also have participated. (A few in-country activities and visits by American experts also have been supported under the Development Training Project.) Most of the Mission staff we spoke with about IVP had favorable comments, as did USIS, TAF and LGSC personnel. As might be expected, the few Nepali participants we interviewed about IVP, such as the DDC Vice Chair in Gorkha, gave it high marks.

Though it could be because we did not delve deeply enough, we did not hear anyone identify specific ways in which participants put to use what they learned abroad. Putting aside that potential benefit, then, the value of IVP seems twofold. First, it can broaden the horizons of Nepalis who have had little exposure to modern democratic practices. In addition, it can facilitate their cooperation with in-country activities such as LGSC.

Is this enough to justify the expenditure of roughly \$8,000 per participant and the time that goes into selecting them and coordinating their travel (which can be particularly demanding for protocol-conscious high level officials)? Might the funds and time be better invested in any number of in-country activities that reach far more people? Should foreign travel play a role in facilitating in-country cooperation from officials who in any event should be dedicated to making development projects succeed? Might it even raise counterproductive "tit for tat" expectations?

We do not claim to have answers for these questions. They are raised here to stimulate thought and discussion within the Mission, USIS and the Democracy Coordination Committee. They do lead to a few suggestions.

Recommendations

1. If in fact a central goal of IVP is to broaden the horizons of participants, it should place great emphasis on the role that NGOs, women and minorities play in American democracy. This is suggested not out of political correctness, but rather because a central constraint on Nepal's development is the cluster of attitudes and practices that amount to gender, class, caste and

ethnic discrimination. It also could help overcome the suspicion that some government officials harbor toward NGOs. The implication for most trips (and especially for those by government officials) is that they would feature exposure to advocacy groups and activities that demonstrate that civic participation plays a central role in democracy and development and that Nepal suffers when women and other groups are excluded. Whether these lessons sink in to any extent is another question. But if the participants do not absorb them, should they be the persons that USAID works with to promote long-term democratic development?

2. In terms of long-term democratic development, younger individuals are more likely to absorb and, of greater importance, to adapt and apply ideas and practices to which they are exposed abroad. The Mission and USIS might consider this in identifying prospects for IVP participation.

3. If determining specific impact of IVP trips is considered important, it might be feasible to interview participants one, two or three years after their travel to determine if they employed what they learned in any way. A more detailed and reliable examination of impact would involve interviewing other persons who are familiar with the participants' work.

VII. PRISM: CONCERNS ABOUT THE APPROACH

One of the two major tasks assigned to the team pertains to USAID's Program Performance Information System for Strategic Management (PRISM), which aims to measure the macro-level impact of USAID projects, other donor-supported activities and the host country's own private and public sector efforts on a common objective. For the team, the objectives pertain to strengthening of democracy in general, as well as pluralism, local governance, Parliament and the judiciary.

More specifically, the Scope of Work states the following:

The Democracy Advisors shall devise and establish a rating system in conformity with the Program Performance Information System (PRISM) in operation in USAID/Nepal. The rating system will measure, on an annual basis, the success of the DIS Project in the following areas: (1) the extent to which there has been an increase in pluralism; (2) the strengthening of democratic processes in Nepal; (3) the increase in Parliament's effectiveness; (4) the increase in the judiciary's effectiveness at the District, Appellate and Supreme Court levels; and (5) the increase in effectiveness of local government performance.

Subsequent discussions with Mission personnel clarified that there was some leeway to adjust the PRISM categories suggested above, which we have done. In separate consultations regarding what was initially a somewhat unclear point, Mr. Golub and Mr. Sellar were instructed that numerical ratings were necessary. To reach a finer level of detail, we also have established subcategories. Each category and subcategory has been rated by us on a scale of one (the lowest rating) to ten (the highest). In addition, we also solicited numerical ratings from those we interviewed and received a limited number of responses.

While we provide the requested ratings, there nevertheless are significant difficulties with PRISM as applied to democracy programming in Nepal or anywhere. We are gratified that after expressing reservations to the Mission Director, the team was encouraged to identify its concerns regarding PRISM. This section (Section VII) identifies the problems. Section VIII provides the PRISM ratings along with narrative background that explains many of them. The succeeding sections (IX and X) discuss alternative mechanisms for determining, documenting and learning from success.

PRISM represents a laudable effort to grapple with the challenges of reviewing program performance. The work that USAID/Washington personnel have put into formulating it should be appreciated. If PRISM were simply an imperfect method of measuring progress in USAID's democracy work, there would be no need to voice reservations about it. Foreign assistance for democratic development is a very difficult field to evaluate, so even an imperfect approach has merit. However, PRISM is more deeply flawed in the following ways:

1. PRISM may be counterproductive for USAID in that Mission efforts may make progress while PRISM indicates failure. Despite its title, the Program Performance Information System for Strategic Management measures not program performance but country performance. The almost inevitable confusion of the two could well backfire for USAID.

By most accounts, Nepal is in for some rough sailing as the population comes to terms with the reality that democracy does not equal development. The overall health of the items PRISM rates (pluralism, the judiciary, Parliament and local government) may suffer even while USAID support achieves modest success regarding selected aspects of these areas--which is the most any donor can hope for under any circumstances. For example, some feel that the independence of the judiciary might decline after the current Chief Justice retires. If this happens and if it is reflected in PRISM ratings, USAID will appear to be failing regardless of what its support for the judiciary might be achieving. PRISM thus may indicate that program performance is unsuccessful, whereas in reality the program is making progress even while overall country performance is suffering for reasons far beyond the control of any donor.

2. A related concern is that PRISM demands short-term progress while development is a long term undertaking, especially when it comes to the "big picture" that PRISM seeks to rate. In fact, macro-level progress in particular can only take place over an extended period of time. Yet PRISM deflects analysis and focus toward measuring on an annual basis trends that emerge over decades.

3. Regardless of how flawed they may be, numbers offer an illusion of objectivity and take on a power of their own. Even if supported by narrative, as we try to do in this report, PRISM ratings have the potential to substitute for detailed analysis of how the democracy program is doing.

4. At a time when USAID is trying to streamline its operations so as to focus on how it can best contribute to democratic development, PRISM imposes a layer of analysis that tells the Mission nothing about how its projects are faring or how to improve their impact. True, other devices can be employed for these purposes. But there is less time and money to do so when PRISM plays a central part in the work of consultants and Mission staff.

5. Though its reputation with other donors, development professionals and grantees should not be its primary concern, USAID does want to play a leading role in assisting Nepal's democratization. PRISM may interfere with this. Members of a visiting team advising the Danish Embassy on its democracy program were taken aback at the notion of attaching PRISM numbers to democratization. We received similar feedback--sometimes bemused, sometimes not--from many other individuals with whom we met. Reliance on PRISM, then, would seem to undercut the Mission's credibility with Nepalis and foreigners familiar with the system.

VIII. PRISM RATINGS

A. Methodology

The draft PRISM document for USAID/Nepal identifies numerous indicators of progress that span the diverse fields in which the Mission works. The document specifies that the Democracy Advisors are responsible for ratings relating to four of the indicators. (The Mission is using public opinion polling to generate a few other ratings regarding democratization.) The Democracy Advisors' indicators pertain to the strategic objective of increasing pluralism and strengthened democratic processes and three program outcomes regarding Parliament's effectiveness, the judiciary's effectiveness and local government. These indicators are:

1. Program Indicator 3.2⁴: Average rating by experts of extent to which there has been an increase in pluralism and strengthened democratic processes.
2. Program Indicator 3.1.2: Percentage average rating by expert opinion of Parliament's effectiveness.
3. Program Indicator 3.2.2: Average Rating by Expert Opinion of the Judiciary's Effectiveness.
4. Program Indicator 3.3.2: Average Rating by Expert Opinion of Local Government. (United States Agency for International Development/Nepal, undated)

⁴ The Program Indicator number is not significant. It simply reflects the order in which the dozens of PRISM categories appear in the USAID/Nepal document listing them.

Because the Mission had very reasonably allowed the team leeway to adjust the PRISM rating system for democracy, we decided to modify and expand on these ratings in a few different ways. First, we substituted four program outcomes regarding:

1. strengthened civic participation (which embraces both nongovernmental forces and democratic attitudes);
2. effectiveness and responsiveness of Parliament;
3. independence, effectiveness and fairness of the legal system (which is broader than the judiciary); and
4. effectiveness, accountability and responsiveness of local government.

We also substitute an overall strategic objective of strengthened democracy, which embraces but is not limited to these program outcomes.

For each of the program outcomes, we in turn established a few subcategories to be rated. These are provided below.

We came up with our own ratings on a scale of one (the least favorable rating) to ten (the most favorable) for the overall objective, the program outcomes and the subcategories. In addition, we used our interviews to solicit ratings by those with whom we met. Unfortunately, we have to admit that asking others to provide such ratings turned out to be an extremely flawed process, yielding highly imprecise and potentially misleading results. It was an interesting experiment that future Democracy Advisors should not repeat for the following reasons.

First, many of the more thoughtful individuals we interviewed (though certainly not all of them) responded to this request with polite refusal to convert their opinions of Nepal's democracy into numbers. Only 14 persons agreed to provide such ratings to even a minimal extent. They all were based in Kathmandu.

Within this small group, for any given question we were only able to gather a few responses. This was partly because respondents found the questions insufficiently nuanced, would only volunteer answers for those few questions that dealt with areas within their expertise, or had difficulty grasping the concept of rating democracy numerically. Typically, we had to devote much more time to explaining the questions than to discussing the answers. This meant that any given question was explained in different ways for each interview, depending on which aspect of it the respondent wanted clarified. Even so, because our interviews (usually lasting 60 to 90 minutes) focused on several matters in addition to PRISM, we often were not able to ask many questions or explain them fully. Further clouding the picture was the fact that different respondents obviously interpreted a given question in various ways, even after we tried to clarify it. Finally, this was a very time-consuming process that diverted us from more productive tasks.

Even if the questions were refined and the (almost inevitably unrepresentative) sample enlarged in the future, these and several other problems would remain. We accordingly recommend that rather than striving for a patina of objectivity in the future, Democracy Advisors simply employ their admittedly subjective judgments and the Mission continue to utilize public opinion polling for related PRISM ratings.

Despite these many flaws, we utilize the responses for the limited purpose of constructing baseline data for future comparison. Future democracy advisors should not repeat this effort to solicit numerical ratings in interviews because the resulting numbers will offer no meaningful comparison with those we have received and because their time will be better spent learning about the progress of Nepal's democracy rather than explaining numerical rating questions to reluctant or puzzled audiences. However, they can use the numbers we provide here as a basis for indicating what directions the facets of Nepal's democracy are taking. That is, the "6" we might arrive at for a given subcategory means very little in and of itself. But democracy advisors who visit Nepal a year or two from now can try to ascertain whether conditions have improved or deteriorated regarding that particular facet, and accordingly arrive at higher or lower ratings.

How, then, do we arrive at the baseline data? First, we average the few ratings we received for a given question (say, 5 + 3 + 6 from three different sources). The resulting figure (4.7) counts for 50 percent of the rating. The personal ratings by Mr. Golub and Mr. Sellar (say, 4 and 6) each count for 25 percent. (These numbers are based on our interviews, weighing the opinions we heard, and our readings.) The resulting baseline rating, then, is 4.85.

The next subsections provide the PRISM ratings and the supporting narratives. The final subsection provides the two Democracy Advisors ratings for the strategic objective of strengthened democracy in Nepal.

B. Strengthened Civic Participation

Narrative

As already noted, for the purposes of this paper, civic participation can basically be characterized as citizen involvement in activities that potentially affect government actions and decisions. But the quality of civic participation hinges on citizens' attitudes, information, organization and sense of responsibility. Such participation ultimately should have some impact on the government.

We found civil society--that is, the presence and dynamism of nongovernmental organizations--to be nominally alive and well in Nepal. Both the NGO community and the press have blossomed since 1990, though radio and television outlets are still largely owned and controlled by the Government of Nepal.

There are now some 4000 registered NGOs in Nepal, a large number for a country that until recently did not provide fertile ground for their growth. This efflorescence is partly due to lifting of political suppression. Unfortunately, it is also due to the fact that some NGOs, particularly those based in Kathmandu, serve as entrepreneurial outlets for their founders. This is particularly the case in view of the limited for-profit business opportunities over the past three years, the limited demands on the time of some founders in their regular jobs (e.g., academia), and the hoped-for availability of funding from the many foreign donors that operate in Nepal. As a result, many of the new NGOs (most of which have come into existence in the last three years) are marginal and may exist more to attract funding than for their stated purposes. Most of these will fail or be consolidated.

Nevertheless, there are a number of sincerely motivated organizations with capable leadership that have the potential to make significant contributions to strengthening civil society and Nepal's political culture. The distinctions between the more entrepreneurial and the more dedicated organizations are gradually becoming clearer to donors, partly as a result of how these groups carry out their donor-funded work. Perhaps the most positive development is that there is some movement among the NGOs, spearheaded by a network known as the NGO Federation and its highly respected leadership, to promote a code of conduct for these organizations. There is reason to believe, then, that the quality of NGOs will gradually improve over time, as it has done in most countries.

In addition to NGOs, there are perhaps another 20,000 local user groups and other limited purpose associations at the local level. The problem here is not necessarily lack of dedication, but rather lack of political sophistication. Organized around rather specific interests and needs, these predominantly rural groups are new to the notion that they may have opportunities to participate effectively in many local government decisions.

Of course, the real test of effective civic participation is not whether a plethora of NGOs, user groups and similar voluntary associations exist, but rather whether they have any meaningful input into policy formulation and implementation. As just pointed out, for the most part this is not yet the case for rural groups that could press for involvement in local government. As already noted, the most prominent example of attempted NGO participation in policy formulation, that of the Women's Security Pressure Group's advocacy of an anti-rape law, fared very poorly. There is also little indication of extensive Law Commission or ministerial consultation with NGOs. An additional problem is that there appear to be relatively few links between Kathmandu-based advocacy groups and rural entities.

But to put this in context, not much could be expected just four years into a new democracy. "Learning the ropes" in the United States can easily take that long for organizations concerned with public policy issues or grassroots advocacy. We should expect more gradual progress under the much more difficult circumstances in Nepal.

We did not have an opportunity to meet with any leaders or representatives of labor organizations or professional/business associations, so our knowledge of these is limited. However, Freedom House states that "workers are free to join unions," though strikes are prohibited in "essential services" including utilities and telecommunications, and the government can suspend a strike or the operation of a trade union if it considers this to be in the national interest. The Labor Act requires a 60 percent approval among workers for a strike to be legal, although illegal strikes occur (Freedom House 1994, 423). The labor movement is supported by USAID through the Asian American Free Labor Institute (AAFLI), as are business associations, under the Economic Liberalization project.

As for the press, we were told by many that it published without restraint, often in fact making statements that would be libelous in a country with appropriate laws. The irresponsibility and unprofessionalism of the press in this and other regards was often cited. TAF and USIS both have small programs geared toward improving this situation. At the same time, we were also told that the press exercises considerable self-censorship in certain areas (e.g., human right abuses, especially if the military is involved, and criticisms of the Palace.) Freedom House notes the following:

The constitution allows the government to restrict speech or press that could threaten public order and national security, promote antagonism among different religion or castes, or violate public morals. The Press and Publications Act prevents publication of materials that would contravene these boundaries, and sets education and experience requirements for various journalism jobs. Newspapers and magazines vigorously criticize the government. However in April [1993] the government charged three journalists with offending members of the Royal Family by questioning the suitability of the King's daughter posing for a photograph with an Indian film star, and by publishing excerpts of a foreign book that allegedly implicated one of the King's brothers in drug trafficking. The cases are still pending. The government owns the radio and television stations, which generally promote official views (Freedom House 1994, 423).

Regarding radio, we were told that private stations were planned. We heard conflicting views on how difficult it might be for these operations to obtain licenses. We also heard that some unofficial and even anti-government opinion was already being aired. Overall, it would appear that the press is operating relatively freely, but within some remaining constraints.

Ratings

Category/Program Outcome: Strengthened Civic Participation

Average of Four Sources' Ratings: 6.6; Golub: 3; Sellar: 7

Overall Rating: 5.8

Subcategory: NGOs involved with public policy and civic education
Average of Three Sources' Ratings: 6.5; Golub: 3; Sellar: 8
Overall Rating: 6

Subcategory: Media (both print and broadcast)
Average of Two Sources' Ratings: 5; Golub: 4; Sellar: 6.5
Overall Rating: 5.1

Subcategory: Think tanks
Average of Three Sources' Ratings: 5.3; Golub: 4; Sellar: 4
Overall Rating: 4.7

Subcategory: Extent to which citizens hold government accountable
Average of Three Sources' Ratings: 4; Golub: 3; Sellar: 5
Overall Rating: 4

Subcategory: Extent to which voting is based on issues and officials' job performance, as opposed to patronage, vote-buying or personal ties
Average of Three Sources' Ratings: 6.7; Golub: 3; Sellar: 5
Overall Rating: 5.4

C. Effectiveness and Responsiveness of Parliament

Narrative

Although Parliament's effectiveness was generally rated low, many noted that one should make allowances for the institution's newness: it has only been in existence for three years. When we visited the Secretary of the House of Representatives (the lower house), he had textbooks from several countries on his desk and was trying to figure out what the procedures for a special session of Congress should be. There had never been one before.

During the first three years, a number of useful bills were passed. One well-placed commentator noted, however, that Parliament was reactive, having initiated no legislation other than that regarding its own pay and benefits. Several commentators felt that Members of Parliament (MPs) did not understand their jobs, needed training,⁵ and could not differentiate very well between governance and intra-party issues. While we were in Kathmandu, the loss by K.P. Bhattarai, an NC party leader and former interim Prime Minister, of a by-election triggered a great deal of public acrimony and NC intra-party bickering. This clearly generated a good deal of unhappiness among the citizenry both because they clearly prefer harmony to displays of disunity and because, as was noted in a newspaper editorial, it was distracting the politicians from their main task of socioeconomic development.

⁵ Approximately 25 percent of MPs have participated in International Visitors programs.

We heard varying comments about the committee system that had been introduced with USAID support. Some viewed it as not yet working very well because the MPs are unfamiliar with procedures and riddled with factionalism. On the other hand, a few sources felt that, even given these limitations, it cut down on wrangling and speech-making that would otherwise have occupied the entire Parliament by confining much of this time-consuming activity to committees. In one important area, budget review, the Finance Committee was not yet having any real impact. The Secretariat was also not highly rated, though one commentator said it was "doing it all" in terms of analyzing legislation. But others felt not enough independent analysis was yet being done, and that the bureaucracy, still entrenched from panchayat days, was still in control and resistant to change. The training of research staff by TAF has not yet been done -- disagreement over the size of the program seems to be impeding implementation-- and the internship of Tribhuvan University students has not resulted in the hoped-for forging of any useful linkage with the University. Nothing had yet been done to improve the status of women.

Overall, the new Parliament was functioning, but much remained to be done. Furthermore, the leadership was being viewed with increasing concern by outsiders as intra- and inter-party conflict intensifies and development issues are not being sufficiently addressed.

One additional factor that USAID needs to take into consideration in assessing Parliament's performance is the extent to which it should be evaluated in American terms. Should MPs initiate much legislation in a parliamentary system? Should they play a role in constituent services, as senators and representatives in the United States do? Does it actually benefit Nepal to have a strong, independent legislature backed by a sophisticated support structure? We assume so for now, but our assumptions are based on the American experience. As the institution and Nepal's democracy evolve, the Mission and future Democracy Advisors might want to keep these questions in mind.

Ratings

Category/Program Outcome: Effectiveness and Responsiveness of Parliament

Average of Eight Sources' Ratings: 4.8; Golub: 3.5; Sellar: 6.5

Overall Rating: 4.9

Subcategory: Substantive quality of legislation

Average of Four Sources' Ratings: 5.4; Golub: 4.5; Sellar: 7

Overall Rating: 5.6

Subcategory: Operations of committees

Average of Five Sources' Ratings: 4; Golub: 4.5; Sellar: 6

Overall Rating: 4.7

Subcategory: Secretariat and research staff

Average of Three Sources' Ratings: 5.3; Golub: 4.5; Sellar: 7

Overall Rating: 5.6

Subcategory: Performance of ministers and other leaders
Average of Two Sources' Ratings: 4.3; Golub: 3; Sellar: 6
Overall Rating: 4.4

Subcategory: Improving the status of women
Average of Six Sources' Ratings: 3.1; Golub: 1; Sellar: 2
Overall Rating: 2.3

Subcategory: Openness to input from nongovernmental groups
One Source's Rating: 2; Golub: 2; Sellar: 6
Overall Rating: 3

D. Independence, Effectiveness and Fairness of the Legal System

Narrative

The legal system is generally viewed as weak and, at least at the trial court levels, corrupt. The Supreme Court's performance is seen more favorably, however, particularly in terms of its capacity to maintain its independence and prevent the executive branch from reaching beyond its constitutional limits. The Chief Justice in particular is highly regarded. On the other hand, there is considerable concern about how the Supreme Court will fare once he steps down.

Overall, the system is plagued by major and possibly growing backlogs of cases, inadequate budget, and thus, lack of basic equipment and supplies, and poorly trained personnel. At the very least, the backlogs may spring from a less than energetic attitude within the institution. A visit to a large courthouse in Pokhara revealed many staff on duty, but few working and no trials under way. One knowledgeable observer commented that judicial precedents are generally not known or adhered to, conflicting legislation is in effect, and weakness of enforcement and investigative agencies characterize the system as a whole.

The fairness of the system was seen as better at higher levels. Generally, however, the society's gender, caste and class biases are reflected in the operations of the judiciary. In fact, it would be extremely unusual for a woman to succeed if she took her husband to court for beating her--if she would even initiate a case to begin with. There is very little legal aid available to the poor.

Most lawyers clearly come from elite backgrounds and are men. While a fair number of women start law school, few finish due to a combination of factors, including harassment by their male colleagues. Both the Mission and TAF are trying to address this by supporting NGOs that train and bolster the confidence and gender awareness of these young women.

Non-formal adjudicative processes at the local level are viewed more positively. These draw on long traditions of community resolution of disputes. The VDCs played a useful role, commented one interviewee, except in husband-wife cases, where the woman is viewed as the man's property. One commentator felt that these processes are less effective now because of the political parties and resultant partisan politicization of village life.

Very mixed reports were received on the extent to which human rights are being protected. Some feel that there are no longer serious problems here. Others claim that the situation has improved in Kathmandu and other areas where the press and international attention exercise restraint on abuses, but that the situation in remote rural areas (i.e., most of Nepal) is still very poor. Ignorance of rights is still widespread, and abuses are particularly bad for those in jail.

Ratings

Category/Program Outcome: Independence, Effectiveness and Fairness of the Legal System
Average of Seven Sources' Ratings: 5.2; Golub: 3; Sellar: 5
Overall Rating: 4.6

Subcategory: Court delay
Average of Two Sources' Ratings: 5.3; Golub: 4; Sellar: 4
Overall Rating: 4.7

Subcategory: Honesty and competence of judges
Average of Four Sources' Ratings: 6; Golub: 4; Sellar: 6
Overall Rating: 5.5

Subcategory: Fairness of system where affluent and impoverished parties are in a dispute
Average of Two Sources' Ratings: 6.5; Golub: 2; Sellar: 4.5
Overall Rating: 4.9

Subcategory: Fairness of system where men and women are in a dispute
Average of Two Sources' Ratings: 2.3; Golub 1.5; Sellar: No rating
Overall Rating: 1.9

Subcategory: Effectiveness and fairness of non-formal adjudicative processes
Average of Three Sources' Ratings: 5.8; Golub: 5; Sellar: 7
Overall Rating: 5.9

Subcategory: Protection of human rights
Average of Four Sources' Ratings: 5.7; Golub: 2.5; Sellar: 4
Overall Rating: 4.7

E. Responsiveness, Accountability and Effectiveness of Local Government

Many observers report a real difference between the often venal individuals who dominated the panchayat system and the persons who now serve on Village Development Committees (VDCs) and District Development Committees (DDCs). The trends are positive, despite the continuation in some areas of tremendous inequities, patron-client relationships, cronyism, nepotism, and corruption. Moreover, there are tentative developments in the following directions: in some areas, elites are being determined differently than in the past; political parties are a new factor and are relatively broadly based; and connections at the center are not as crucial as they once were.

As already noted, there are tremendous variations in different parts of the country, making overall generalizations difficult. In general, the Terai is more prosperous than other areas, but the income and social inequalities may be greater. Some VDCs have more revenue than some DDCs, in areas that can capture octroi (taxes on shipment of goods) or timber taxes. The Tibeto-Burman clans of the north and middle regions are much more egalitarian in local governance than the hierarchical caste-influenced Indo-Aryan peoples of the south and the Kathmandu Valley, though this too may be an over-generalization.

Old patterns and relationships naturally die hard. During a visit to Gorkha district, it was clear that the centrally appointed District Development Officer was the dominant personality at a meeting with elected DDC and VDC officials. Though his position is a hold-over from the panchayat era, he appears to retain influence by virtue of institutional inertia, familiarity with how government works, contacts in Kathmandu and the fact that decentralization is still in its infancy.

In fact, the process of endowing local government with authority and autonomy really is just beginning. The new legal authorities have not yet taken shape; processes and division of responsibility between various institutions are not clearly defined. In addition, coordination is lacking because of political polarization and a "to the victors go all the spoils" attitude. Physical and institutional infrastructure are highly inadequate. There is a general tendency in Kathmandu governmental circles to try to limit participation or delegation of authority. Permitting this runs the risk of losing control. One knowledgeable observer commented that formal decentralization had really not yet occurred below the DDC level, though local participation and decision making are strong at the local level outside the formal government structures. There is still heavy dependency on the central government and/or foreign donors for resources.

As for revenue generation, 90-95 percent of funding decisions are reportedly still made centrally, though this is beginning to change. DDCs can now commission construction of small water systems. Municipalities (of which there are 36) are generally doing better than rural districts.

There are problems with the unfairness and economic disincentive aspects of the octroi. Local tax authority is still not well defined, though much is done by local custom outside the formal legal framework.

As noted earlier in this report, there is a need for both new legislation and improved implementation regarding laws that pertain to revenue generation. VDCs have very little authority in this regard, and DDCs are regularly shortchanged by the central government.

Regarding the utilization of revenues, there is greater effectiveness and accountability at the village than at the district level; corruption increases with greater distance and larger projects. Projects run by NGOs or local user groups work better than those run by DDCs, where processes need improvement. It is a problem that any project costing more than one million rupees must be implemented by a central line Ministry, yet it is unclear how line Ministries interface with local governments and their fiscal year does not mesh well with seasonal availability of local in-kind labor contributions.

Many feel that democracy will bring about positive changes in both transparency and accountability. One observer felt that revenue collection processes are not presently that transparent; but in general, accountability and transparency are higher at the village than at the district level.

One problem is that VDC and use group leaders often are very reluctant to take responsibility for funds. Their fear is that if anything goes wrong or if there is suspicion that revenues are not properly employed, they will be blamed.

Openness of processes may be improving, but women still do not participate to any meaningful extent. Similarly, those of lower caste, class or inferior education are often inhibited.

Overall, there is positive change, with leaders' mentality shifting from an exploitative to a service orientation; but legal authorities and processes are still limited and unclear. Revenue generation capability is the key to greater local autonomy, but is limited and uneven. Hierarchical, patronage-based relationships are still strongly imbedded, but are beginning to give way to democratic forces. It remains unclear, however, whether these democratic forces (specifically, political parties) will just serve as alternative patronage vehicles without making any real contribution to development.

Ratings

Category/Program Outcome: Responsiveness, Accountability and Effectiveness of Local Government

Average of Six Sources' Ratings: 4.4; Golub: 3.5; Sellar: 5

Overall Rating: 4.3

Subcategory: Revenue generation

Average of Four Sources' Ratings: 3.9; Golub: 2; Sellar: 4

Overall Rating: 3.5

Subcategory: Local governments' honesty and dedication to effective service delivery and utilization of revenues
Average of Four Sources' Ratings: 5; Golub: 5; Sellar: 4
Overall Rating: 4.8

Subcategory: Transparency and accountability of local governments' records and processes
Average of Five Sources' Ratings: 4.8; Golub: 3; Sellar: 6
Overall Rating: 4.7

Subcategory: Capacity of local governments to communicate needs and views to national institutions
Average of Four Sources' Ratings: 4; Golub: 4; Sellar: 5
Overall Rating: 4.3

Subcategory: Openness of local governments to input from the public (i.e., NGOs, other groups and individuals)
Average of Five Sources' Ratings: 4.8; Golub: 3.5; Sellar: 5
Overall Rating: 4.6

F. Rating the Strategic Objective of Strengthened Democracy

Mr. Golub and Mr. Sellar each arrived at a rating for the strategic objective of strengthened democracy. We did not, however, solicit this rating from the persons we interviewed. The factors that went into our determinations of the rating were invariably subjective, but included the many categories and subcategories of program outcome identified above.

In any event, the baseline rating for the strength of Nepal's democracy is 4.5, which is an average of Mr. Golub's rating (3) and Mr. Sellar's (6).

IX. Defining Success

As discussed above, PRISM's numerical program indicators seem to be a problematic approach to determining whether the Mission is successful in supporting democratization. What supplemental framework can USAID employ in determining whether its investment in bolstering Nepalese democracy has been justified? This report suggests that success be viewed as potentially occurring on two levels: policy formulation and policy implementation.

A. Policy Formulation

Success regarding policy formulation pertains to USAID-supported impact on legislation, ministry decisions, important judicial and parliamentary procedures, the design of major development programs or other major government decisions with national implications.

What are a few potential examples of success regarding policy formulation? One would be where an NGO contributes to the content and adoption of a piece of legislation or another government decision. Another would be where that NGO or the coalition to which it belongs loses its policy dispute, but in doing so learns lessons about advocacy that strengthen its capacity to fight future battles. Finally, press articles or public opinion polling may achieve success where they help bring about government action.

Success regarding policy formulation can be categorized in the following manner:

Impact on Policies and Related Decisions

Most obviously, policy impact will take place if a new law or other government action stems at least in part from the work of grantees. But this category of impact also would include the judiciary promulgating rules that facilitate more efficient, equitable adjudication. And it embraces instances where Mission-supported activities help affected Nepalis prevent negative changes in policies, such as legislation that would weaken beneficial aspects of a given law.

Under some circumstances, not all decisions of national importance are directly reflected in government policy. Some of the most important, in fact, concern who is appointed to a policy-making post in government. Other decisions with important policy implications may be made by such entities as multi-lateral agencies. Impact on policy formulation will also hinge, then, on helping otherwise powerless, poorly informed or poorly mobilized Nepalis to affect such appointments or other decisions.

2. Impact on Participation

Even short of actually influencing policies and related decisions, meaningful participation by USAID-supported groups or their coalition partners in policy formulation processes constitutes a degree of success. It is important to take this into consideration for at least two reasons. First, not all policy battles can be won. In the United States, Congressional opponents of a given proposal still participate in the legislative process even if the bill passes.

Just as pertinent is the fact that policy formulation can be a lengthy, multi-step process. Even if a law or regulation has not yet resulted from that process, grantees or their partners may be playing important roles in shaping those potential policies. Thus, if USAID-funded research and/or the principals who carry it out contribute to follow-up efforts aimed at putting those research findings into effect, that reflects accomplishment.

3. Impact on Capacities

Above and beyond success regarding the adoption of any given law or regulation, long-term impact regarding policy formulation will hinge on USAID-supported groups and their partners developing relevant capacities. In an instance such as press training, seminars regarding pertinent issues and processes may help journalists better cover and affect national government actions.

But as with most endeavors, many individuals and organizations will learn mainly by doing. That is, only through involvement with policy advocacy will grantees and their partners become better at it, even if some of their current efforts prove unsuccessful.

These capacities can take many forms. They include knowledge of existing laws, of the ins and outs of legislative and ministerial decision-making processes, of skills such as how to make use of media, and of the key players within and outside of government.

B. Policy Implementation

Success regarding policy implementation involves grantees and their client or beneficiary organizations seeking the enforcement of policies relating to specific disputes or other legal needs. Potential examples of success include instances in which DDCs and VDCs make the central government deliver promised revenues or persuade line agencies to provide services. They also would embrace increases in local revenue generation, and building up the abilities of user groups to address issues on their own or with reduced outside assistance.

Success regarding policy implementation can be categorized in the following manner:

1. Impact on Government Decisions Affecting Specific Communities

This can take at least two forms. It could involve a USAID-assisted VDC or DDC using its enhanced capacities to win a line agency commitment to undertake a specific development project. It also could involve decisions made by VDCs or DDCs in response to actions undertaken by Mission-supported NGOs, user groups or other populations connected with these organizations.

2. Impact on Participation

The degree to which NGO grantees and particularly their client or beneficiary populations participate in the processes through which local decisions are made also will reflect success. As with policy formulation, set-backs and prolonged processes may mean that final favorable decisions can take years. But to the extent that progress occurs that would not have taken place in the absence of USAID support (e.g., where a DDC, VDC or line agency agrees to consider a request even if no final decision is yet made), that constitutes success.

3. Impact on Capacities

Enhanced capacities go hand in hand with participation in policy implementation. A journalist may cover rural issues better as a result of improved skills. User groups, VDCs and DDCs may become better at persuading line agencies to perform responsibly because of enhanced knowledge of relevant processes or attitudinal changes that overcome a sense of poverty-imposed helplessness or traditional deference to central government bodies. They also may benefit from increases in organizational cohesion, political power and/or negotiating strength that could flow

from these other factors. Often these capacities will be reflected in participation in village meetings or in obtaining favorable government decisions. But sometimes the capacities will be fostered before the opportunities to apply them come along.

4. Impact on Material Circumstances

This is the bottom line regarding many democratic development issues. Whatever formal policies may exist, Nepalis experience great difficulties in getting the law enforced or services delivered. Success substantially hinges on achieving actual improvements in economic circumstances. Thus, the DDC that wins a government commitment to build a road, an irrigation canal or a facility for gathering clean water--or that generates local revenue in order to commission such projects itself--needs to see an impact on constituents' health, livelihoods or other sources of well-being.

Success regarding material circumstances can also involve halting or preventing negative developments, such as violence against women or environmental degradation. These may often be the greatest needs of a given individual or community.

C. The Integrated Nature of Success

We note that developmental reality does not fall into the neat conceptual compartments portray above. As already indicated, capacities and participation are closely linked. Furthermore, grassroots experience with policy implementation can inform an NGO's work regarding policy formulation as it learns, for example, how laws have to be changed to facilitate development. Improvement in a group's material circumstances may well contribute to greater political strength and other improvements in its capacities.

The other important fact regarding success is that achieving bottom line impact on material circumstances can be remarkably difficult and can take many years in a society like Nepal. This should temper any expectations regarding the goals of a democracy program and any assessment of whether an investment in the program has proven worthwhile. It is vitally important to keep the bottom line consideration of impact on material circumstances in view. But it takes much longer to accomplish that in Nepal than in the United States, and the economic, political, attitudinal and cultural obstacles are far greater. The other types of success (affecting policies, localized government decisions, capacities and participation) take on greater significance, then, in terms of representing progress toward that bottom line.

The overall success of the democracy program will flow from the accomplishments of the activities that comprise the program. **The Mission will know that the program has been successful if significant numbers of Nepalis actually or potentially benefit due at least in part to USAID-supported activities that: 1) affect the formulation of laws and other government decisions and policies; 2) yield effective implementation of these and other**

policies; 3) increase meaningful participation by USAID-supported groups or their partner organizations in policy formulation and implementation; and 4) increase the capacities of USAID-supported groups or their partner organizations to affect policy formulation and implementation.

In essence, the success of the program will be the sum of the accomplishments of the activities that constitute its parts. Democratic development consists mainly of creating and responding to opportunities represented by those activities. The ways in which the opportunities unfold and achieve progress cannot be predicted in any rigorous manner.

As already emphasized in discussing PRISM, the corollary to this is that success is not best framed in terms of overall progress of democracy. It is unrealistic to assume that the relatively modest development activities carried out for relatively short periods of time can dramatically alter the flow of the nation's history, the flavor of its culture or the character of its institutions. They can, however, help accomplish more limited and nevertheless important objectives that contribute to the overall quality of democracy by addressing specific populations and needs.

If in fact PRISM is problematic, specific types of success are difficult to predict and success hinges on many factors beyond the Mission's control, what vehicles can it use to document and measure its accomplishments? We address this in the next section.

X. Documenting and Learning from Success

In assessing whether its support for democratization has achieved significant impact, USAID unfortunately faces the same problems as other donors active in this field, such as the Asia and Ford Foundations, several bilateral donors and foundations supported by the German government. Both visiting consultants and country-based program officers have limited time to delve into discerning and documenting accomplishment. Furthermore, grantees busy with carrying out activities may lack the time, expertise and even inclination for documentation. A complicating factor is that the diverse nature of democratization projects calls for diversity in assessment vehicles.

The Mission has already been provided with an article that sketches ways of assessing and enhancing the impact of democratic development projects (Golub 1993). The following discussion builds on some aspects of that article.

A. Assessment-oriented Case Studies

Potentially the best method for documenting, assessing and building on the success of many democratization activities is the case study. The Mission could make a distinct contribution to democratic development work in Nepal and beyond by employing and refining this device, which to our knowledge has not been widely employed in assessment in this field.

What do we mean by a "case study"? On an activity-specific level, it is a report that: 1) focuses on how a contractor or grantee tried or is trying to address a specific development issue (e.g., LGSC efforts to increase DDC revenue generation in Dang District); 2) confirms that organization's contribution to whatever accomplishments have taken place by drawing on available documents such as government reports or newspaper articles and by interviewing individuals (including but not limited to beneficiaries of the activity) who are familiar with that contribution; and 3) draws conclusions for future use, based on the success(es) or failure(s) of the organization and its partner groups with which it is working.

On the broader level of program assessment, case studies could look at how a range of activities have contributed to some general trends or developments. In essence, a case study can be a much more in-depth approach to what Ford, TAF, USAID and other donor personnel try to do in assessing democratic development activities. It would make use of the unexplored potential of social science research to assess and enhance the impact of Mission-assisted democratic development activities. (In fact, it is a great irony that many donor organizations fund research on complex topics pertaining to democratization, but not on the impact of their own work.)

NGOs that carry out civic education for farmers, for example, often lack the time and expertise to gather baseline data or to subsequently determine whether the farmers have retained the information imparted and applied it in any way months or years later. Nepalese social scientists could provide that follow-up, so that NGOs (and their donors) can understand which teaching techniques and other tactics work best.

What kind of case study would document impact on a programmatic level? An example regards parliamentary practices. It would be instructive to trace, as much as possible, the sequence of USAID-supported efforts that have contributed to improving parliamentary operations (including respects in which Mission assistance might have leveraged other donor support that in turn contributed to improvements). This kind of case study would not necessarily pin down causation, but it might enable the Mission to make a stronger argument that the link is more than coincidental. And if work with Parliament proved problematic, the case study could help indicate whether the problems are in the project design (which could be corrected) or inherent in the current orientation of the institution (which may be beyond any donor's capacity to influence). Similarly, a case study could document any combination of USAID-supported efforts (press training, research, advocacy, public opinion polling) that contribute to beneficial changes in legislation affecting women or other groups.

Case studies also should yield lessons and strategies for the future. We should emphasize that case studies (or any evaluation mechanisms) preferably serve as devices for assessing and improving the operations of ongoing activities and programs, rather than as tools for closing the books on a grant. Furthermore, it would be unfortunate if any resulting lessons were confined to the Mission, its grantees and contractors. Through publications and conferences, such findings could be disseminated to a wider audience in Nepal and possibly abroad. Appropriate case studies could be translated into Nepali and into formats- possibly as simple as comic books or radio dramas--that would provide Nepalis with examples of successful activities and experiences.

Perhaps the best way to fund such studies would take the form of complementary grants given to these research bodies in coordination with primary grants provided to those organizations that are carrying out the activities whose effectiveness would be examined. The specific situations to be studied would be determined by the Mission in cooperation with the grantees or contractors whose work is to be studied. The Ford Foundation has utilized grants to research institutes as mechanisms for assessing the progress of government programs relating to irrigation associations in the Philippines and Indonesia and to agrarian reform in the Philippines. This approach could be adapted by USAID.

In any event, it is important to emphasize that the purposes of the assessment-oriented case studies might well make them differ from those usually carried out by research institutes or business schools. As with democratization activities themselves, the practice of preparing case studies will be refined over time as all parties involved learn the right questions to ask and the best ways of getting answers. For this reason, as well as for the program to build on prior experience, it would be appropriate for the Mission to start funding case studies of relevant activities that have already been undertaken with or without prior USAID support.

To insure the cooperation of grantees and the communities or other partners with which they work, and for case studies to be most useful, it is important to return to the point that the research should mainly be forward-looking rather than a mechanism to decide whether a grantee's past activity merits future funding. Of course, that latter function may remain in view. The studies should identify how to learn from failure as well as success; viewing them as a joint learning exercise is the best way to do so.

Also of fundamental significance, for beneficiaries of community-based projects to fully cooperate and gain from efforts to assess impact, it is important to respect their roles and insights as participants who can help shape future activities rather than mistakenly relegating them to objects of study regarding a completed experiment.

In fact, the case study approach would engender greater cooperation by grant beneficiaries than would quick visits to project sites by donors or consultants, because it would facilitate ongoing or repeated contact between the researchers and those they interview. Such personal contact is important for getting the most reliable information in most developing societies.

The one possible constraint on this approach is whether sufficient expertise and objectivity exists on the part of Nepali social scientists. We are not in a position to assess this, but the quality of many of NGO personnel and academics we interviewed provides us with bases for optimism.

If in fact greater expertise needs to be developed, and even if it does not, one intriguing idea we discussed in passing was Kathleen Ertur's interest in promoting an Institute of Democratic Studies. Though her concept reaches beyond the case studies we have outlined here, it could become a center for such applied research on relevant development projects as well as on more

general themes pertaining to democratization. Monitoring by an American institution could contribute to making the Nepali body a success if the American academics involved were properly oriented toward learning concrete lessons that could be applied to future development work. The Mission might want to explore this further.

B. Other Mechanisms for Evaluation

One problem with the case study approach is the converse of an advantage. The advantage is that research institutes would work very cooperatively with the grantees whose work is assessed. The potential problem is that this close working relationship might make the institutes lean away from being critical in their findings. A way to limit this possible tendency and to build on the research would be to have outside evaluators review and seek to confirm the data contained in selected case studies. The evaluators could do so perhaps three and five years down the line. The possibility of this would keep researchers "on their toes," and in any event would add to the credibility of the process. In addition, those evaluators might also be able to suggest ways in which the preparation of case studies could be strengthened in the future.

While we recommend that the case study approach be the backbone for assessing and enhancing progress in this field, we also realize that not all activities necessarily lend themselves to this kind of scrutiny. In addition, sometimes evaluation can rely at least partly on far less detailed evidence. For example, newspaper reports indicating that high level officials are taking action in response to Mission-funded activities (such as survey research) suggest that the public is participating, albeit indirectly, in stimulating potential reforms.

Regarding press training, one way of detecting impact is simply to compare the quality of reporting of journalists before and after they attend educational seminars. The proof (of their enhanced capacities) will be in the pudding (of the articles they produce). Even if any given article does not necessarily trigger government action or other positive developments, at least this activity has resulted in improved coverage.

APPENDIX 1
POTENTIAL ASIAN RESOURCE PERSONS

This appendix briefly identifies Asian resource persons who might be useful to the Mission in introducing and explaining to interested Nepalis some different approaches for strengthening civic participation. Most of the individuals identified here hail from the Philippines simply because that is where Mr. Golub has the greatest experience. But the Philippines also is relevant because it has a vibrant NGO community that has struggled against formidable obstacles to achieve some success in certain fields. The Ford or Asia Foundations in Manila would likely be in touch with these individuals, as might the USAID Mission.

If the Mission feels that South Asian resource persons would be most appropriate, it might consult the pertinent USAID offices as well as the Ford Foundation offices in India and Bangladesh and the Asia Foundation offices in Sri Lanka, Bangladesh and Pakistan.

Journalism

Should the Mission wish to stimulate thinking or concrete initiatives among Nepali journalists about the potential for responsible investigative reporting, Philippine Center for Investigative Journalism Executive Director Sheila Coronel would be a solid, reasonable resource person. Also from the Philippines, the Center for Media Freedom and Responsibility Executive Director would have some experience regarding a journalism review and other activities geared toward promoting professionalism.

Legal Services

Some appropriate attorneys who might be able to provide useful insights and examples for Nepali lawyers and law students include: Asma Jahangir of Pakistan's AGHS Legal Aid Cell, which provides both representation and paralegal training for women and bonded laborers, and has won partial victories at the Supreme Court level regarding the latter; law professor Evalyn Ursua of the Philippines' Women's Legal Bureau, which is involved with work such as anti-rape legislation, community training to combat violence against women, and legal and political activism against international trafficking of Filipinas for prostitution; law professor Antonio La Vina of the Philippines' Legal Rights and Natural Resources Center, which is mainly concerned with international donor and national policies regarding upland people's rights and deforestation; Donna Gasgonia of the Philippines' PANLIPI, which also operates on a policy level regarding upland people's rights and deforestation, but does considerable grassroots work pertaining to paralegal training and policy implementation; and Al Agra and law professor Bobby Gana of the Philippines' SALIGAN, which works on decentralization and with farmers, labor and the urban poor, and which has nonformal legal education and paralegal training programs that do not make the common mistake of pitching their legal lessons at levels far too sophisticated for their audiences.

APPENDIX 2
ROADS NOT TAKEN

There are several potentially productive fields pertaining to democratization that USAID/Nepal could explore if there were no need to focus its democracy program, if political sensitivity did not make certain work inadvisable and if legal and financial constraints were not present. The following areas of potential activity were discussed with the Mission and with others. Based on the feedback the team received and on other arguments that weigh against Mission involvement, it is recommended that these problems be pursued only on the level of policy dialogue. The Mission made sound decisions in steering clear of these areas over the past few years. There is nothing to indicate that conditions have changed in a way that would warrant involvement at this time.

The Military

Despite the establishment of a Defense Council, the Royal Nepal Army is not truly subject to elected civilian authority because under the Constitution it owes allegiance to the King. Combined with the military's occasional human rights abuses and effective immunity from criticism, this perpetuates a potentially problematic situation for Nepalese democracy.

Nevertheless, a number of considerations weigh against Mission involvement. Unless USAID knows exactly what it is doing in this sensitive area, support for military training or conference participation could backfire. The track record of human rights and professional training for military in other developing countries is uneven, and there is at least anecdotal evidence that exposing military officers to civilian skills and perspectives can make some of them more confident about their capacity to run governments. In addition, it unfortunately is ineffective to preach the virtues of military deference to elected civilian authority when the Constitution says otherwise. Finally, the British and Danish may be getting involved with this issue. They could do so with less potential controversy than would face Americans, and the British have the distinct advantage of a historical relationship on which they can build.

The Police

While the consensus among those we interviewed is that the police are poorly trained and often abusive, the statutory prohibition on U.S. assistance anywhere but Latin American precludes Mission involvement in this field. In addition, some of the factors that weigh against involvement with the military apply in this area as well.

Current and potential democracy program support for human rights groups seems to be the wisest course the Mission can take for addressing police misconduct.

Administrative Reform

A number of individuals the team interviewed identified corruption, poor performance, a weak work ethic and other problems as plaguing the executive branch of government. But more than one informed source cited the government's lack of interest in pursuing administrative reform after an initial burst of (perhaps politically motivated) activity, indicating that this would not be

a fruitful field to focus on. In addition, the World and Asian Development Banks are the only donors with sufficient resources to try to tackle the issue of increasing civil service pay while implementing staff cutbacks, and in any event government disinterest seems to be keeping this potential initiative on hold. Especially given one source's description of administrative reform as something akin to a swamp, it does not seem worth an investment by the Mission.

On the more positive side, Mission work with selected government agencies indirectly is bringing about a certain degree of administrative reform. And several current and potential democracy program activities serve an anti-corruption purpose by promoting government accountability. These approaches seem more focused and potentially productive than any new initiative that would try to upgrade the entire civil service.

Political Parties

Recent bitter disputes within the personality-oriented Nepali Congress Party (NCP) suggest that efforts to inculcate a greater issue-orientation and institutional coherence on the part of political parties deserve consideration. Unfortunately, USAID assistance could be seen as biased. Moreover, the reality is that it inadvertently might actually be biased in favor of the NCP.

The reasons for this start with the fact that the main opposition faction, the Communist Party of Nepal/United Marxists and Leninists (CPN/UML), reportedly has a superior party structure and, in a relative sense, a more focused platform than the NCP. Despite the fact that it clings to a discredited ideology (though by most accounts not very vigorously), it may have less to gain from even the most nonpartisan USAID attempt to strengthen political parties. Conversely, some still doubt whether the CPN/UML is truly dedicated to multi-party democracy, which makes the perception and reality of USAID work with it troublesome. Above and beyond these considerations, there are also the complications that might spring from working with the Rastriha Prjatantra Party (which is substantially composed of former adherents of the panchayat system), and even more problematical, far left parties whose commitment to multi-party democracy is in greater doubt than that of the CPN/UML.

In any event, it could be said that the Mission is already working to improve the orientations of political parties through its work with Parliament, DDCs and VDCs. This is a wiser, safer course than support for activities that directly work with the NPC, the CPN/UML and other parties. The one additional respect in which the Mission could try to work with party activists is that identified in the main report, regarding cooperation with female members to try to improve the status of women.

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APPENDIX 4
PERSONS INTERVIEWED

Harihar Acharya, Program Officer, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

Meena Acharya, Executive Director, Institute for Integrated Development Studies

Lok Raj Baral, SCOPE

Chief of Party, Local Government Strengthening Component of DISP, Clark Atlanta University/MetaMetrics, Inc.

Ram Chandra Bhattarai, Research and Admn. Officer, Legal Research and Development Forum (FREE DEAL)

Shyam K. Bhurtel, Professor, Department of History, Tribhuvan University

Roger Bloom, ARD, USAID/Nepal

Richard Byess, Chief, Program and Project Development Office, USAID/Nepal

Bola Nath Chalise, Acting Secretary, Ministry of Local Development

Diwaker Chand, Development Research for a Democratic Nepal

Poul B. Christiansen, Programme Coordinator, Chief Advisor, DANIDA

Neal P. Cohen, Economic Liberalization Project, USAID/Nepal

Mohan Mani Dahal, Training Chief, Judicial Services Training Center

Surya P.S. Dhungel, LL.M., Associate Professor of Law, Tribhuvan University, Nepal

Kathleen Ertur, Democracy Program Manager, USAID/Nepal

Peter S. Gadzinski, First Secretary Political/Economic, U.S. Embassy, Kathmandu

Philip-Michael Gary, Mission Director, USAID/Nepal

Jagdish Ghimire, Chair, NGO Federation of Nepal.

James Gingerich, Chief, Agr/Rural Development, USAID/Nepal

Surya Kiran Gurung, Secretary, House of Representatives, Kathmandu, Nepal

S.M. Habibullah, Associate Professor, Central Department of Political Science, Tribhuvan

University

Tribhuvan Nath Jaiswal, Professor, Central Department of Political Science, Tribhuvan University

Nanne Birgette Jensen, Danish Democracy Review Team

Bhumi Kharel, Advocate, Supreme Court of Nepal

Marc Koehler, Political Officer, U.S. Embassy, Kathmandu

Indira Lohani, Advocate, President, Youth Lawyers' Association for Justice & Human Rights and Editor in-Chief, De-jure (Law Journal)

Carroll Carter Long, Resident Representative, United Nations Development Programme, Kathmandu, Nepal

Paul A. Lundberg, Chief Technical Adviser, NPC Decentralization Support Project, Kathmandu, Nepal

Michael E. Malinkowski, Deputy Chief of Mission, Embassy of the United States, Kathmandu, Nepal

Mangal S. Manandhar, President, Nepal Opinion Survey Center (NEWSWEEK)

Joe Manickavasagam, World Bank Representative

John Martinussen, Professor, International Development Studies, Roskilde University Centre, Roskilde, Denmark

Dr. Chaitanya Mishra, Sociologist, GTZ

Nirmala K.C., Advocate, Supreme Court of Nepal, Affiliation with: Social Workers Group (Treasurer); Women in Environment Protection (Treasurer); Shree Krishna Youth Club (Vice Secretary); Society for Legal and Environmental Analysis for Development and Research (Women Development Consultant)

Sushil Raj Pandey, Associate Professor, Central Department of Political Science, Tribhuvan University, and Chairman, Chairman, National Research Board for Political Studies, Political Science Association of Nepal (POLSAN)

Binod Kumar Pant, Development Research for a Democratic Nepal

Sally Patton, PPD, USAID/Nepal

Thomas F. (Tobey) Pierce, Nepal/Sri Lanka Desk Officer, USAID

Jagadish C. Pokharel, President, Center for Alternative Dispute Resolution, Nepal

Krishna Man Pradhan, Manager, Nepal Law Society

Sushil Pyakurel, Co-ordinator, Informal Sector Service Centre (INSEC)

David Queen, PAO, USIS

Indira Rana, Secretary, Judicial Council, Kathmandu, Nepal

Siddhi B. Ranjitkar, USAID

Madhav K Rimal, Chief Editor, Spotlight Magazine

Leo E. Rose, Editor, Asian Survey and Advisor, Local Government Strengthening Component of DISP

Tirtha Man Sakya, Member Secretary, Nepal Law Reform Commission

Rishikesh Shaha, Development Research for a Democratic Nepal

Purna Man Shakya, Programme Director, SCOPE-Nepal

Tirta Man Shakya, Law Reform Center

Prem Sharma, Nepal Opinion Survey Center (NEWSWEEK)

Tara Nath Sharma, Editor, The Rising Nepal

Chij Shrestha, World Education, Inc.

Kusum Shrestha, Nepal Law Society

Shree Krishna Shrestha, Society for Legal and Environmental Analysis & Development Research (LEADERS) and Public Administration Campus, Tribhuvan University

Silu Singh, Executive Director, Women's Legal Services Project

Gopal Siwakoti, Executive Director, INHURED International

Prakash Subkota, Himalaya Institute of Development (HID)

Leo T. Surla, Jr., President, MetaMetrics Inc.

Deepak Tamang, Executive Director, SEARCH

Paul Taylor, Chief of Party, Danish Democracy Review Team

Ganga Bahadur Thapa, Associate Professor of Political Science, Central Department of Social Science, Tribhuvan University and General Secretary, Nepalese Political Science Society (NPSS) and Founder Treasurer, Political Science Association of Nepal (POLSAN)

Shanta Thapalia, Legal Aid Consultancy Center (LACC)

Ole Therkildsen, Danish Democracy Review Team

Kedar Nath Upadhyaya, Justice, Supreme Court, Kathmandu, Nepal

Krishna P Upadhyaya, Director, Information and Training, INHURED International (International Institute for Human Rights, Environment and Development)

Gopi Upreti, Director, Centre for Environmental Studies, INHURED International

Bharat Uprety, Legal Research and Development Forum (FREE DEAL)

Denise M. Valois, Country Officer, Nepal/India/Sri Lanka/Bhutan/Maldives, U.S. Department of State

Raghab Lal Vaidya, Advocate, Legal Consultation Service

David Walker, Private Agencies Collaborating Together (PACT)

Suzanne Wallen, Representative, The Asia Foundation

Teddy Wood-Stervinou, Deputy Director, USAID/Nepal