

# USAID/OTI Nepal Field Report

January - March 2008

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## Program Description

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

1. Increase access to information and diversify public debate on issues critical to the political transition, and
2. Increase effectiveness of key political transition institutions.

OTI/Nepal's implementing partner is Chemonics International Inc., and the FY 2008 program budget is \$5.75 million. The OTI program provides small grants and short-term technical assistance.

## Country Situation

**CA Elections on Track for April 10** - On January 11, the government announced the new date for Constituent Assembly (CA) elections: April 10, 2008. Following this announcement that demonstrates a renewed commitment from the seven parties constituting the government, joint rallies were held in major cities across the country. A number of the rallies were disrupted, however, as bombs were detonated at several of the events, underscoring the fragility of the transition process.

Despite attempts to disrupt the polls in the southern Terai region, including a bombing at a district election office, the Nepal Election Commission is on track with preparations to hold the polls on the designated date. The election will be one of the most watched in the world, with nearly 93,000 volunteers mobilized as election observers, including more than 700 international observers. At this level, the number of observers will be 30 times higher than the number who observed Nepal's third general election in 1999.

**Increase in Election-related Violence; Disruptions in the Terai Continue** - Foreshadowing the potential for disturbances in the Terai in the run-up to the CA elections, a candidate from the National People's Front Nepal was killed on March 17 in the Banke District. The killing took place in an atmosphere of escalating violence across the country as the poll date approaches. Clashes between armed groups and political party members as well as between the various political parties have increased. There is concern that there will be caste- and ethnicity-based polarization among communities during the campaigning and that polarization will lead to more clashes and instability before, on, and after Election Day. Additionally, armed groups have vowed to disrupt the polls and to hold bandhs (strikes) before and on Election Day.

**Government Backs Off Price Increases, Signs Agreement with Madhesi Parties** - On January 22 and 23, protests were held throughout the country after the government announced a price increase on petroleum products. Strikes led by the student unions affiliated with the seven parties in the government brought Kathmandu to a standstill for 2 days. The protests ended when the government withdrew its decision to raise prices.

On February 28, in another test of its ability to maintain order, the government reached an agreement with the United Madhesi Democratic Front. The agreement, which took days to negotiate, brought an end to violent protests in the Terai. The protests had lasted more than 2 weeks and had created acute shortages of fuel and basic commodities throughout the country. The eight-point agreement promises the Madhesi people fair access to local and national resources and pledges support for an autonomous federal system in the new constitution. After the two sides signed the agreement, all protest programs in the Terai were withdrawn, and the mainstream Madhesi parties registered to compete in the CA elections.

**CPA Violations Continue** - The implementation of the Comprehensive Peace Agreement (CPA) has been wavering. Violations of the CPA have been committed by both the Maoists and the government, but most observers agree that the violations are greater on the side of the Maoists. During the latter part of this reporting period, Maoist combatants were leaving U.N.-monitored cantonment camps to attend election rallies, which constitutes a serious violation of the CPA. Despite some action immediately following its adoption, little progress has been made in establishing the various peace commissions and implementing the terms of the CPA. In addition, little progress has

been made in implementing the 22-Point Agreement that was signed by the governing alliance and the Maoists on December 23, 2007.

## OTI Highlights

### A. Grant Activity Summary

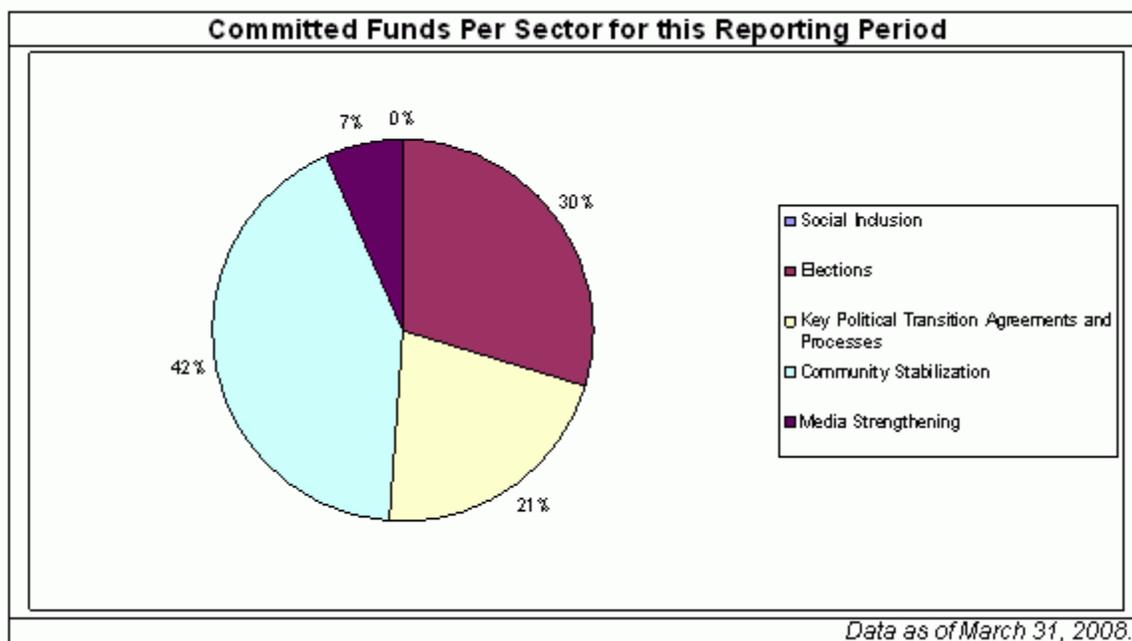
During the reporting period, OTI approved 37 new activities worth \$1,339,546. Since August 2006, OTI has funded 158 small grant activities\*, worth a total of \$6,004,459. As reflected in the following table and graphic, OTI activities were distributed among four main sectors: key political transition agreements and processes (21%), elections (30%), community stabilization (42%), and media strengthening (7%). (See OTI/Nepal Grant Activity Highlights below for a discussion on social inclusion.)

\* This figure excludes the four grants implemented by USAID/OTI prior to the commencement of the Chemonics contract.

### Grants Approval Summary

Sector	Grants Cleared January - March 2008	Estimated Budget for Grants Cleared January - March 2008	Total Grants Cleared Since August 2006	Total Estimated Budget for Grants Cleared Since August 2006
Social Inclusion	0	\$0	16	\$390,893
Elections	8	\$397,007	23	\$1,123,542
Key Political Transition Agreements and Processes	11	\$287,673	67	\$2,413,082
Community Stabilization	17	\$567,342	39	\$1,596,660
Media Strengthening	1	\$87,524	13	\$480,282
<b>Total</b>	<b>37</b>	<b>\$1,339,546</b>	<b>158</b>	<b>\$6,004,459</b>

Data as of March 31, 2008.



## B. Grant Activity Highlights

**Community Stabilization** - OTI is supporting 19 community "mobilizers" in 12 districts in the central and eastern Terai. The mobilizers are conducting assessments at the village development committee level, assisting with program development and monitoring, and providing critical local-level political analysis. This activity is expected to increase OTI's outreach capabilities and presence in target districts, and is especially useful in areas where the OTI team cannot travel due to security concerns.

To foster communal harmony and engender support for the upcoming CA elections, OTI is also providing funding for the production and airing of 40 radio public service announcements (PSAs) that feature popular artists, religious leaders, and other trusted figures in the Terai. The one-minute PSAs will be aired on popular, established stations in the region. It is hoped that this activity will help address rising communal divisions and reduce the potential for violence before and after the elections. It is also hoped that the activity will motivate the public to work for peace and communal harmony.

**Key Political Transition Agreements and Processes** - In response to an increase in CPA violations, deteriorating peace and security conditions, and clashes between Maoists and Madhesi political rights groups, OTI recently approved six grants to raise awareness of the CPA in the eastern hills region. By increasing access to information about the CPA and the peace process, the people in the region will be better informed and more likely to participate positively in the ongoing political transition.

OTI is also supporting an activity in response to Nepal's new Right to Information Act, which was adopted in July 2007. The activity will train radio, print, and TV journalists; government officials; and representatives of civil society on the provisions of the law. The grantee will produce and broadcast eight 30-minute radio programs and four PSAs for the general public. The grantee will also establish a more enduring public resource by developing a Web site that will provide information on the act. Increasing public awareness of the recently expanded right to information will help the Nepali people ensure that the government honors its commitments, and access to information will allow citizens to more effectively hold the government accountable for its actions, especially during the ongoing transition and peace process.

**Elections** - The CA elections were rescheduled during the reporting period. Consequently, OTI focused significant resources on activities to provide timely assistance to the Election Commission (EC) and the general public for the upcoming polls. OTI approved grants to establish and operate a Media and Results Center for the EC and to print five million invitations informing each registered voter of the election date and appropriate polling center location. In addition, the program provided support for the production of election-related TV and radio PSAs, support for printing of election coverage guidelines for the media, and assistance to domestic election observers. OTI also began planning for post-election programming.

**Media Strengthening** - Nepal's media sector has experienced dramatic growth over the past 10 years, especially since the Janandolan II protest in April 2006. Recent developments, such as the politicization of radio stations and the ever-present influence of the state on national television, threaten to undermine positive developments in the sector. To counterbalance these negative trends, OTI is supporting the development of a code of conduct to govern responsible media behavior. Once adopted, the code will be used as a basis for self-regulation of the media sector. OTI is working to raise awareness of the basis for, and the specifics of, a code of conduct among FM radio station managers, print editors, and journalists. Work in this area will also raise awareness about responsible media among the broader public through radio broadcasts addressing the code of conduct, responsible-media issues, and how to be an informed media consumer.

**Social Inclusion** - At the most recent quarterly strategy session, the OTI team reviewed sector focus and program objectives. It was the consensus of the team that the social exclusion of various groups in Nepal is an underlying cause of conflict that will require long-term engagement to resolve. As such, social inclusion activities are not ideally suited to OTI's limited-term mandate. Rather than focus on social inclusion as a stand-alone sector, the team agreed to incorporate the themes of social inclusion into all grants by insisting on representative participation of women and marginalized groups in all activities. As a consequence of this strategic decision, no new social inclusion grants were initiated during the quarter.

## C. Indicators of Success

**Speed** - With the CA elections scheduled for April 10, 2008, OTI has received numerous requests for election-related programming. In a recent request, the Election Commission sought additional PSAs featuring Nepal's leading comedic duo, MaHa. OTI responded immediately, and filming began 2 days after the request was received. The PSAs, which focus on the election code of conduct, are to be aired on all national television stations - within 2 weeks of the initial request.

**Re-targeting/Flexibility** - In response to increasing communal tensions in the Terai, OTI is supporting 10 teams of Pahadi and Madhesi women to paint 39 peace messages using the unique Mithila art form. (Tensions between the Pahadi, who have ancestral ties to Nepal's hill areas, and the Madhesi, who are indigenous to the southern plains, have led to violent outbreaks in the region.) The artwork will be created in central locations in major urban areas. Initially, this activity was envisioned to focus on peace messaging in support of the transition process; however, with communal tensions increasing in the Terai, the peace messaging will now be used as a mechanism through which women can model cooperative behavior between ethnic groups while promoting messages of peace to their communities.

**Community-based** - OTI continues to work with several organizations that have a large network of peace volunteers. These volunteers have made it possible to operate despite the worsening law and order situation, particularly in the Terai. In addition, OTI's newly formed network of community mobilizers is expected to quickly increase the program's knowledge base, impact, and quality of work at the local level. Through this network, engaged and motivated local innovators will assess communities' needs and OTI's activities.

## Next Steps/Immediate Priorities

Emergent issues:

- Violence is expected before, on, and after Election Day, warranting special programmatic focus.
- Assuming elections results are broadly accepted, the newly elected CA leaders will be tasked with voting on historic legislation and drafting a new constitution. OTI will look for ways to support these historic events, directly and indirectly.

In the next quarter, OTI will:

- Develop activities in response to the CA elections;
- Maintain activity development that is responsive to political and conflict issues in the Terai;
- Assess, and refine as necessary, OTI/Nepal media activities;
- Continue to support programming that targets youth; and
- Assess and refine the OTI/Nepal Monitoring and Evaluation system.