

# USAID/OTI Nepal Quarterly Report

January - March 2009

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## Program Description

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

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

OTI commenced its program at the request of, and in close coordination with, the U.S. Embassy and the USAID Mission to Nepal.

OTI's main implementing partner in Nepal is Chemonics International, Inc. The program consists of a series of small grants and short-term technical assistance activities in furtherance of Nepal's transition process and has a FY2009 budget of \$6,050,000.

## Country Situation

**Constitution-writing Process Finally Takes Shape** – As the quarter ended, 40 groups of Constituent Assembly (CA) members were returning from visits to various districts where they collected public feedback to inform the constitution-writing process. To guide the information collection process, a comprehensive questionnaire was developed to assist the CA members. Even with impressive public participation in this process, many respondents complained that the questionnaires were difficult to comprehend.

**Rise in Identity-based Politics** – The first months of 2009 witnessed several protests by various ethnic and indigenous communities demanding a constitutional guarantee of representation in state institutions. The most severe incidents occurred during two weeks of general strikes called and enforced by the Tharu community. Clashes claimed the lives of five people, including a policeman. The Tharus protested against a recently issued ordinance on ethnic reservations that classified them as part of the Madhesi ethnic group. The protests were called off following a government proposal to replace the term "Madhesh" with "Terai-Madhesh" in the interim constitution and other statutes, including the controversial ordinance on reservation. Similarly, the government recently made agreements with agitating Muslim communities and so-called backward classes in anticipation of possible protests on identity issues.

**By-elections Set** – CA by-elections were scheduled for April 10, 2009, exactly one year after the CA elections. Polls will be held in five districts—Morang, Dhanusha, Kaski, Rolpa, and Kanchanpur—for six vacant seats. In the previous quarter, the CA endorsed the sixth amendment bill to the interim constitution, which allows Nepali citizens who turned 18 by April 2009 to vote in the by-elections.

**Local Government Bodies To Be Proportionally Formed** – Seven major political parties in the CA reached a consensus to form local bodies based on a system of proportionate votes in the national elections. As per the consensus, United CPN-Maoist will lead in 23 districts, the Nepali Congress (NC) and the Communist Party of Nepal United Marxist Leninist (CPN-UML) will lead in 16 each, the Madhesi Janadhikar Forum (MJF) will receive five, while the Terai Madhesh Loktantrik Party (TMLP) and other fringe parties will get two districts each. The parties, however, have yet to determine which party will lead in which district.

**Increasing Differences on Military Issues** – The debate over the integration of People's Liberation Army (PLA) combatants into the Nepal Army (NA) has been contentious. In January 2009, the four major political parties (NC, CPN-UML, United CPN-Maoist, and MJF) formed a high-level special committee, reconstituted with a new Terms of References, to address the issue of integrating PLA combatants into the NA; however, there has been little progress on the matter.

In February, the NA completed recruitment of some 3,000 personnel despite the Defense Ministry's order to suspend the process. In response, the PLA announced that it would recruit some 12,000 combatants disqualified by the U.N.

Mission in Nepal's verification team. The Nepal Supreme Court ordered both the NA and PLA to stop new recruitments; nevertheless, it upheld the recruitment of the 3,000 personnel into the NA, as the process was completed prior to the writ being registered. Soon after, the Defense Ministry refused to extend the tenure of eight NA generals scheduled for retirement, but the Supreme Court issued an interim order to reinstate the generals, requiring the government to provide an adequate legal basis for its decision.

**Increasing Student Clashes** – In March 2009, the student wings of various political parties competed in elections for the Free Student Union at government-affiliated campuses and universities throughout the country. Although the preliminary results favored student unions aligned with CPN-UML, the election procedures were disrupted or postponed at many colleges due to violent clashes. One student was shot dead while police tried to control a violent mob in Jhapa, and two bombs were detonated by an unidentified group in Parsa, injuring six students.

**Media Under Siege** – Ongoing attacks on media establishments and journalists continue to stifle free expression. In January, an unidentified group killed a woman journalist working in Dhanusha district, sparking reactions from Nepali and international journalist organizations. There have also been recent reports of women journalists in the Terai region receiving threatening phone calls from unknown groups.

**Security Situation in Terai** – Reports of kidnappings, extortions, and bomb blasts have decreased in the Terai region. The reduction is attributed to the government decision to strengthen security forces in the Terai and to the government's ongoing dialogues with several armed groups operating in the region.

**Matrika Yadav Breaks from the Maoists** – Matrika Yadav, a politburo member of United CPN-Maoist, split with the Maoists during the quarter and announced the "restructured" CPN (Maoists). Yadav said he was not forming a new party but rather reconstituting the existing one. In retaliation, the United CPN-Maoist expelled Yadav from the party. Yadav is reportedly drawing increasing support, some of which is coming from Maoist cadres in the Terai as well as from PLA combatants in the cantonments.

## OTI Highlights

### A. OTI/Nepal Grant Activity Summary

Since August 2006, OTI, through its implementing partner Chemonics, has funded 265 small-grant and technical assistance activities totaling \$9,716,065. (This figure excludes four grants worth \$25,587 that OTI implemented prior to the commencement of the Chemonics contract.) Funding breaks down by sector as follows: social inclusion (4%), elections (11%), key political transition agreements and processes (33%), community stabilization (42%), and media strengthening (10%). (*Data as of March 31, 2009.*)

#### Grants Committed by Sector

Sector	Grants Cleared Jan - Mar 2009	Budget for Grants Cleared Jan - Mar 2009	Total Grants Cleared Since Aug 2006	Total Budget for Grants Cleared Since Aug 2006
Social inclusion	-	-	17	\$375,120
Elections	1	\$10,859	27	\$1,066,497
Key political transition agreements and processes	7	\$206,200	95	\$3,187,235
Community stabilization	16	\$476,927	103	\$4,128,813
Media strengthening	6	\$186,908	23	\$958,406
<b>Total</b>	<b>30</b>	<b>\$880,894</b>	<b>265</b>	<b>\$9,716,065</b>

The Janakpur field office made a substantial contribution during the reporting period, clearing 12 grants for \$423,582.

## B. Grant Activity

**Community Stabilization** – OTI continues to recognize the importance of linking constituencies with local government officials to promote the peaceful transition to democracy. The Nepal program is supporting emerging dialogues by—

- Providing funding and equipment, including toll-free phone lines, to local radio stations for programming that allows the public to question local and national officials, political party members, and civil society representatives, either in the studios or by calling programs.
- Mobilizing local organizations and community groups to educate people about Citizen Charters (CC). Although each government office has a CC that describes services to be provided, citizens are often unaware of the scope of government responsibilities. The program empowers citizens and communities to watch over budgets and assist officials with efforts to provide efficient public services while improving relationships between local government entities and their constituents.
- Facilitating transparency in local institutions, reducing misunderstandings and increasing participation by rural people in the local development process. OTI cleared a new grant to train representatives of local-level institutions of the Lalitpur district in participatory planning, good governance, and transparency.

**Transition Information Dissemination** – OTI has engaged in innovative activities to disseminate information critical to the transition and diversify public debate. Activities include the following:

- Producing 26 weekly "Chiya Chauttari" radio comedy programs, as well as 14 public service announcements (PSAs), at a Kathmandu radio station. The comedy program takes place in a traditional Nepali teashop, a popular setting where people discuss day-to-day issues. The programs include regular characters and special guests, including national politicians. Each program covers a broad thematic issue relevant to the transition, such as federalism, state restructuring, administrative security, development, natural resource sharing, the judiciary, and media and communications.
- Building alliances among minority and marginalized groups in the Terai. By training representatives on key political transition themes, supporting dialogues, and building organizational skills, OTI is helping these groups to identify common issues. The approach seeks to promote communal harmony and mutual respect among the groups and prepare them to participate effectively during the constitution-writing process.
- Training journalists from across the country on constitutional issues and code-of-conduct standards. The activity is helping develop the skill base in the profession. Independent journalists can bring citizen voices and concerns to the constitution-writing process and also help ensure that representatives are carrying out their duties in a responsible and timely manner.
- Supporting local media. The program collaborated with other donors to honor women journalists on International Women's Day. The event, which was broadcast from Janakpur, provided OTI with an opportunity not only to recognize women in the media but also to highlight the importance of local media in Nepal's transition.

**Targeting Youth** – Youth remain forceful actors in the transition process, particularly at the local level. OTI continues to devote significant programming to activities targeted at young people. Youth-focused activities included the following:

- Initiating new Community Development Fund (CDF) activities with Youth Mobilization Committees (YMCs). The YMCs collaborate with their communities to identify priority projects, and communities have enthusiastically supported the projects by attending meetings and agreeing to share costs. The communal budget development process ensures transparency and accountability in CDF activity implementation and is generating greater community interest in village development committee (VDC) finances and operations.
- Facilitating discussion among college-age members of various political parties using the Universal Declaration of Democracy (UDD) as the basis for the dialogues. In eight districts, participants were trained in the elements of democracy and peaceful political transition. Additionally, three separate radio programs targeting youth were produced on the themes of democracy, elements and exercise of democratic government, international standards of democracy, and the principles of UDD. The shows are currently being aired by 40 FM radio stations throughout the country.

- Engaging youth in educating communities where pilot CDF activities were carried out through the existing YMCs. Youths identify community development priorities and attempt to link these priorities to the responsible local government office. The development priorities, which are identified through a community consultation process, will be presented to the VDC secretaries and other local government officials.
- Supporting the production and airing of 12 weekly, live talk shows. The shows provide a venue for representatives of different student unions to exchange views on relevant issues with each other and with representatives of civil society, business, and media. OTI believes that by encouraging student union representatives to discuss critical issues, they will discover similarities in their objectives and put to rest assumptions that all their differences are insurmountable.
- Producing a 30-minute television show highlighting positive roles that youth play in community development and the positive contribution they make to the peace and transition process. The show presents a cross-section of youths from around the country who have inspirational stories and who have made positive contributions in their communities. Through implicit messages, the show will challenge youth to think about how they can engage positively in the transition process.
- Engaging youth in peaceful activities. The program supports debate programs and sports competitions to disseminate information and bring young people together for peaceful interactions.

**Key Political Transition Agreements and Processes** – OTI remains focused on activities that educate and inform the Nepali public on the functions and work of the CA as well as the constitution-drafting process. OTI—

- Supported live programming covering topics related to the constitution-drafting process on three radio stations. The programs highlight questions and comments from residents of the eastern Terai. Each station sends eight teams of radio journalists to different parts of their listening area to question citizens on a selected weekly topic and record their views. The stations are dedicating one week to each of the 14 CA committees charged with drafting the constitution. As part of the schedule, the stations broadcast four, one-hour, live radio programs with CA members and local experts discussing and debating the week's topic.
- Worked with the CA Secretariat—and with the United Nations Development Programme and other donors—to provide equipment for the Centre for Constitutional Dialogue (CCD). The CCD is a resource center that provides training, expert advice, information, and meeting space for CA members and the general public. To enhance legislative transparency, a live feed of CA proceedings is available at the CCD.
- Established a Peace Stall at a 10-day commercial fair in Udayapur district. Commercial fairs generally draw thousands of attendees, and the activity mobilized facilitators to disseminate information on the peace process, the CA, the Comprehensive Peace Agreement (CPA), and Citizen Charters, as well as other relevant transitional information. The activity also supported the use of cultural performances to generate grassroots awareness of the CPA, the CA, and the political transition.
- Provided grants to develop and air PSAs that address press freedom and freedom of expression.

**Elections** – After preparing radio and television PSAs to educate the Nepali public about the upcoming April 2009 by-elections, OTI again supported the Election Commission (EC) to air PSAs on 20 FM radio stations and nine local cable stations covering the six constituencies where by-elections will be held.

## C. Indicators of Success

**Speed** – OTI remains focused on quickly recognizing emerging issues, targeting project activities, and responding to evolving needs. OTI responded immediately to a request from the Secretariat of the Legislative Parliament, which sought assistance to establish a fully-functional CA resource center, the CCD. Equipment was procured, shipped, received, and installed within a week of grant clearance. Similarly, immediately following requests from the EC to begin broadcasting television and radio PSAs about the upcoming by-elections, OTI was able to arrange quick distribution of the information prior to the elections.

**Re-targeting/Flexibility** – The OTI media strategy has consistently supported information dissemination networks that display flexibility in response to the ongoing transition process. Because guests are scheduled weekly, radio stations are able to address rapidly evolving transition issues. The audience for this programming continues to grow, as listeners are receptive to using this forum to speak with CA and local government representatives. In addition, when the need to obtain certificates of infrastructure soundness delayed the CDF process, OTI amended all existing CDF grants, funding an additional \$88,000 worth of community-engagement activities to ensure communities

remained committed to the projects.

**Community-based** – As OTI's work has become more local with respect to both context and operational partners, the Community Mobilizers (CM) framework remains one of the most reliable means to secure and maintain a firm grasp and understanding of ongoing events and political and security-related trends in the Terai districts. Currently, the CMs are focused on monitoring grantee activities at the local level.

## Next Steps/Immediate Priorities

Emergent issues include the following:

- The constitution-writing period remains contentious. Programming may continue to focus on managing expectations and other areas related to the constitution-writing process.
- The potential for unrest and violence in the Terai still exists. Bandhs (general strikes) are becoming more frequent and intense, and identity-based politics are becoming more commonplace and widespread.
- Attacks on media continue, and there is the potential for continued attacks and pressure on freedom of the press.
- Increased strikes illustrate an increasing discontent with the peace and transition processes. Growing disillusionment with the government could spawn additional strikes against the government, and particularly against the Maoists.

In the next quarter, OTI will—

- Develop programming to address the emerging identity-based politics currently threatening to disrupt the peace process;
- Coordinate with other donor agencies to disseminate information and promote discussions among the public on the CA's work and the constitution-drafting process; and
- Further develop the monitoring and evaluation capacity of the project through short-term technical assistance grants.