

NEPAL TRANSITION TO PEACE INITIATIVE
ANNUAL PERFORMANCE REPORT

1 OCTOBER 2006 – 30 September 2007

Funding provided by the
United States Agency for International Development
Associate Cooperative Agreement Number 367-A-00-05-00020-00
under Leader-with-Associates Award Number: AEP-A-00-01-0004-00

ANNUAL PERFORMANCE REPORT NO. 2
1 OCTOBER 2006 – 30 SEPTEMBER 2007

Submitted by:
Academy for Educational Development
CENTER FOR CIVIL SOCIETY & GOVERNANCE
AED Reference 1270-2926-14

Washington, DC
31 October 2007

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This report was prepared with funds provided by the U.S. Agency for International Development Associate Cooperative Agreement Number 367-A-00-05-00020-00 under Leader-with-Associates Award Number: AEP-A-00-01-0004-00. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.

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ACRONYMS

AED	Academy for Educational Development
ICTJ	International Center for Transitional Justice
MOPR	Ministry of Peace and Reconstruction
NA	Nepal Army
NTTP	Nepal Transition to Peace
PLA	Maoist People's Liberation Army
SDC	Swiss Development Corporation
TJ	Transitional Justice
TOR	Terms of Reference
TRC	Truth and Reconciliation Commission
UNDP	United Nations Development Program
UNMIN	United Nations Mission in Nepal
USIP	United States Institute for Peace

INTRODUCTION

The Nepal Transition to Peace (NTTP) Initiative, a USAID-funded program implemented by the Academy for Educational Development (AED), has been operational since August 15, 2005 and will run through February 15, 2009. This Annual Performance Report covers the major activities implemented during Year 2 of the project, from October 1, 2006 to September 30, 2007.

NTTP was designed in 2004 by USAID and the then-Peace Secretariat of His Majesty's Government of Nepal; USAID then awarded a cooperative agreement to AED to implement the program in 2005. At this time, there was no peace process in the country. The king had full power, political parties were sidelined and agitating against the absolute monarchy, and the CPN-Maoist was waging a full-fledged war against the state. In addition to building the capacity of the then-Peace Secretariat and political parties to participate in a peace process, AED's NTTP Initiative sought to engage the stakeholders in confidential dialogue. AED began to work with peace process facilitators and key politicians from major parties, which resulted in the creation of what is now the NTTP Forum. AED also provided the stakeholders with a safe and confidential space to identify common ground through the NTTP process it established.

In April 2006, the political parties came back to power, the House of Representatives was reinstated, and a formal national peace process was initiated with the inclusion of the CPN-Maoist party. Since the Comprehensive Peace Agreement was signed in November 2006, Nepal's national peace process has implemented an arms management agreement, drafted and promulgated the Interim Constitution, formed the Legislative-Parliament including the CPN-Maoist party, and finally, formed an Interim Government with CPN-Maoist participation. Although recently postponed for the second time¹, elections for a Constituent Assembly, which will give the country a new constitution and greater political stability, are now expected to take place in early 2008.

Through the NTTP Initiative, AED has worked closely with the political parties and the Ministry of Peace and Reconstruction (MOPR) in formulating most of the peace and other related agreements. AED has also worked with MOPR to develop policy documents and options including Terms of Reference (TOR) for the new Ministry, the Truth and Reconciliation Commission, the inclusive Consultative Committee of the Ministry, and the Commission on the Disappeared, among others.

During the past year, AED also continued to provide both logistical and technical support to MOPR. AED's support to the political parties remained focused on increasing their capacity to participate in the national peace process. AED continued to support the peace process in general and the peace talks specifically through the group of politicians from their respective parties and the three facilitators involved in the NTTP Forum, and technical support provided by AED staff, consultants and its technical advisor.

¹ Elections for the Constituent Assembly were originally slated for June 2007 then postponed to November 2007, and postponed again without a new date for the elections as of this report date.

During the year, the Peace Secretariat grew into the Ministry of Peace and Reconciliation, with an expanded role. Meanwhile, the four political parties' members and two facilitators of the NTTP Forum were formally appointed as members of the inclusive Consultative Committee, which advises the Ministry and the government on all issues related to the peace process. The same two NTTP Forum facilitators were also appointed as advisors to the Peace Committee. Through these developments, AED's NTTP Initiative has been more directly linked with the formal peace process.

On behalf of their parties, NTTP member-politicians, contracted by AED as advisors, have been engaged in various formal task forces and groups to work on different technical policy papers and actions; AED has continued to provide ongoing technical inputs to them throughout the peace process. In this way, AED's NTTP Initiative has effectively coped with the changing landscape of the peace process, always ensuring that it is providing valuable technical inputs for negotiations and preparation of peace agreements and national structures.

PROGRAM HIGHLIGHTS

The following are some of the key accomplishments of the NTTP Initiative during the period covered by this report:

- **Support to the Ministry of Peace and Reconstruction (MOPR)** – During the reporting period, the Peace Secretariat was upgraded to the Ministry of Peace and Reconstruction, which became the agency responsible for the overall peace and reconstruction process, including engaging in dialogue with the Madhesi, indigenous peoples, and women's groups. AED continued to provide support to MOPR through training, technical support on peace processes, and the establishment of a peace library and documentation center. AED also provided technical resource support to other related national structures/mechanisms, including the high level all-party Peace Committee, Interim Constitution Drafting Committee, Peace Talk Observers' Committee, and National Monitoring Committee on the Code of Conduct of Ceasefire.
- **Technical assistance to Local Peace Committees (LPCs)** – The NTTP Forum generated the concept of Local Peace Committees (LPCs) as a means of securing the peace process at the local level. AED provided support to the MOPR and political parties to assess the feasibility of establishing LPCs, consult with various stakeholders, and develop Terms of Reference and an Implementation Manual and Plan. AED trained Ministry officials and independent consultants to facilitate the establishment and operationalization of LPCs in all seventy- five of Nepal's districts.
- **Consultation on forming a Truth and Reconciliation Commission (TRC)** – The Interim Constitution calls for the creation of a Truth and Reconciliation Commission. MOPR is responsible for developing the TOR for the TRC through a consultative process; AED has been a key partner of the MOPR throughout this process. A key initiative implemented by AED was the organization of a trip for a key group of Government Secretaries, politicians and civil society representatives to New York and Lima, Peru to learn more about transitional justice and TRCs in other countries.

- **Support to the NTTP Forum** – Members of the NTTP Forum now work as observers of the formal dialogue, members of the Consultative Committee of the MOPR, and facilitators of multi-party and bilateral informal dialogues among stakeholders on an as-needed basis. AED provides ongoing support to the Forum to fulfill all of these functions. The facilitators requested that AED act as the secretariat for the NTTP Forum. In order to serve this function more effectively, AED co-located its office in the same building in Bhojan Griha, Dillibazar as the Forum and the Peace Units of the Political Parties, allowing AED's researchers and technical staff/advisors to more effectively provide resource support to the Forum and facilitators.
- **Establishment of Political Party Peace Units** – Four major political parties (Nepali Congress, CPN-UML, Nepali Congress-Democratic, and Nepal Sadbhavana Party-A) have now established Peace Units to work as internal resource centers to analyze conflict, build political perspectives, and develop, guide and advise their engagement in the peace process; negotiations are underway with other parties. These four parties have designated coordinators and researchers for their Peace Unit, the latter of which have been provided with workspaces within AED's offices at Bhojan Ghria. The Peace Unit researchers and coordinators work with AED's researchers and technical staff to generate policy options on various key aspects of the peace process, including local peace structures, military integration, and a truth and reconciliation commission.
- **Consolidation of the International Technical Resource Support Group** – A core group of Embassies/Missions has been created to provide expertise, technical assistance, and diplomatic support in response to stakeholders' expressed needs for dialogue and peace processes. DANIDA, the Norwegian Embassy, and SDC have formally confirmed their support for the NTTP Initiative implemented by AED; UNMIN and UNDP have also started to participate in the NTTP forum.
- **Building the Capacity of Women's Peacebuilding Networks** – USAID/CMM awarded a complementary cooperative agreement to AED to build the capacity of a network of women's NGOs to respond to the needs of the communities in which its members' organizations are based. The award was signed September 26, 2006 and is being implemented in coordination with the NTTP Initiative.

PROGRAM ACTIVITIES

Ministry of Peace and Reconstruction (MOPR)

Supporting the Ministry of Peace and Reconstruction (MOPR), previously the Peace Secretariat, has been the focus of AED's NTTP Initiative from the beginning. In fact, the initial purpose of the NTTP Initiative was to provide technical and capacity building support to the Peace Secretariat, which included building the capacity of its staff, setting up a peace library, and developing the institutional capacity needed to work as an effective government hub for the peace process. The Secretariat/Ministry has been fulfilling the roles envisaged at the time of its formation. Through the NTTP Initiative, AED brought the Secretariat/Ministry together with the

political parties before the political change in April 2006, when there was no formal communication between the parties and the government.

Over the past year, AED continued working as a key partner to the Secretariat/Ministry on the national peace process, helping to support and strengthen the formal peace structures, including the high level all-party Peace Committee and Peace Process Observers' Team. AED has also supported the Ministry in the development of TORs for the Local Peace Committees and Truth and Reconciliation Commission. AED's NTTP facilitators also provided expert advice and inputs on coordination and management of the cantonments.

Since the project began in September 2005, AED engaged the Peace Secretariat and the NTTP political group in multi-stakeholder dialogue. Trust and confidence has developed between the Secretariat and the political parties since then. As a result of the confidence developed through the NTTP process, when the political parties came to power in April 2006, they trusted the Peace Secretariat with all the important assignments related to the peace process. A high level all-party Peace Committee was formed above the Secretariat with Nepali Congress General Secretary Ram Chandra Poudel as the Convener.

The **Peace Committee** had the mandate to advise the government on the peace process and work on various technical matters related to it. The Committee was the political body for peace above the Peace Secretariat, which to some extent replicated the original High Level Peace Committee that existed in 2004 when the Peace Secretariat was established. AED's advisors/consultants provided technical assistance to the Committee through the Peace Secretariat on matters related to peace process.

AED supported the Committee in developing a viable concept for **Local Peace Committees (LPCs)**, which they approved and will begin implementing in the near future. LPCs are needed to help secure the peace process at the local level by: providing a local conflict resolution mechanism using local resources; establishing an entity to disseminate information locally about the peace process; and, transferring information about local peace process issues to the national level. Senior AED staff and local peace structure expert Dr. Andries Odendaal traveled to several districts around the country to interact with the local political parties, civil society and intellectuals to assess the local situation. Based on this assessment, AED developed a concept paper for LPCs to be established in all seventy five districts of the country. Final preparations are now underway to implement the LPCs. (More information on LPCs can be found below.)

The government formed an **Interim Constitution Drafting Committee** that was housed in the Peace Secretariat. AED's consultants provided resource material support and expertise for the Committee through the Peace Secretariat. AED also provided them with models of transitional political arrangements in various countries, as well as models of constituent assembly elections.

As the formal talks between the multi-party government and the Maoists kicked off in April 2006, a **Peace Talk Observers' Committee** was constituted through an agreement between the government and the Maoists. The NTTP group consulted with the members of the Observers' Committee, and provided inputs to the government to develop the TOR for the Committee, some of which were incorporated in the final TOR.

A **National Code of Conduct Monitoring Committee** was constituted in May 2006 to monitor the Code of Conduct signed between the government and the Maoists. After several rounds of discussions between AED's NTTP Forum and the political parties and Peace Secretariat, AED provided technical inputs to the government for the committee's TOR.

AED has supported the formation of a **Resource Library and Documentation Center for the Ministry**, including networking of their office with Groove Virtual Office© software, providing Internet broadband connectivity to the expanded Ministry, developing a list of books on peace and conflict, and enabling the adaptation and access to the Info-Share Virtual Peace Library – including the development of local content. Computers were networked and updated and AED is providing ongoing assistance to the Ministry to operate the new virtual office system. AED also helped the Ministry create a more user-friendly and informative website, www.peace.gov.np.

The NTTP Forum AED formed has been a key partner to the Ministry, consulting and advising on crucial peace process related matters. The Forum provides the Ministry with technical advice and political backup for the latter's operation. All the political members and some civil society members of the NTTP Forum have now been formally appointed as members of the Peace Process Consultative Committee of the Ministry, thereby establishing a formal linkage between the NTTP process and the official peace process in the country. The NTTP Forum, which also includes representatives from UNMIN and UNDP, meets at least once a month to contribute to the Ministry's work. AED serves as the secretariat for all these activities, providing all necessary logistical and resource support needed by the NTTP Forum to engage in the peace process.

Local Peace Committees

The Ministry of Peace and Reconstruction has prioritized the formation of Local Peace Committees (LPCs) since its creation. Prior to that, the then Peace Secretariat, in close collaboration with AED, had done a great deal of homework on LPCs, including conceptualization, obtaining political buy-in from the political parties and civil society, field study and research, and development of potential models and implementation strategies for the LPCs. All members of the NTTP Forum – political parties, civil society, and the Ministry – support the creation of LPCs, giving the initiative the necessary political drive.

The Ministry adopted as its official proposed models for the LPCs those provided by AED through the NTTP, based on the recommendations of AED consultant Dr. Andries Odendaal in October/November 2006. Development of LPCs continues to be a priority for the Ministry and the political parties, even with the formation of the Interim Government and the MOPR. The Cabinet has also formally approved the implementation of the LPCs.

AED, with consultant Dr. Odendaal, consulted extensively with political parties, civil society organizations and individuals, and relevant government agencies. In collaboration with the MOPR, and with UNMIN as observers, the AED team piloted the LPC concept in Kaski and Baglung districts, where a wide spectrum of local stakeholders welcomed the concept and emphasized that LPCs should be established as soon as possible.

LPC Facilitators

The role of a facilitator is extremely important in establishing the LPCs and ensuring that they work well. Good facilitation is critical to help the local stakeholders design an LPC that can work effectively in accordance with local dynamics.

Facilitators are needed to go to specific districts, with a mandate from the MOPR and its inclusive Consultative Committee, to set up the LPCs. AED, together with the MOPR, identified 15 potential facilitators to fulfill these responsibilities. The individuals identified have a background in conflict management, including formal training and/or extensive practical experience in the field. Some of the potential facilitators are affiliated with institutions like the European Union and United Nations Mission in Nepal, while others are independent.

Dr. Odendaal and AED's team interacted with the facilitators a number of times, both individually and in groups, and took them on two overnight workshops to orient them to the LPC concept and process and their future roles as facilitators. Later, on behalf of the Ministry, AED organized a four-day intensive training for the 15 facilitators on implementation modalities in the field.

Some of the facilitators who completed AED's orientation training on behalf of the Ministry went to Baglung and Kaski accompanied Dr. Odendaal and AED staff to pilot the LPCs in June, as described above.

LPC Implementation Modality and Manual

AED held extensive meetings and discussions with the political parties, key civil society individuals, the MOPR, and international experts based in Kathmandu regarding the draft TOR for the LPCs. Based on the feedback received from these meetings, AED consultants finalized the TOR for the Ministry who submitted it to and received approval from the Cabinet to establish the LPCs.

AED is currently working with the political parties and the Ministry to formally accredit the proposed facilitators to begin implementing the LPCs in the districts with the Chief District Officers (CDOs). Initially, the facilitators will work ten days a month for six months. AED has worked with USAID/OTI to provide financial support to the MOPR for this.

Transitional Justice (TJ) and Truth and Reconciliation Commission (TRC)

The Government and the CPN-Maoist have agreed to form a Truth and Reconciliation Commission (TRC); creation of a TRC has also been included in the Interim Constitution. The MOPR has been entrusted with responsibility for preparing a TOR for the Commission through broad-based interaction and consultation with the political parties and civil society in general. The Ministry formed a Task Force with a Joint Secretary of the Ministry as the Convener to fulfill this task.

AED's technical staff and consultants provided the Task Force with substantive resource materials and technical advice during the course of their work. AED funded a national consultation on the TRC, allowing the Ministry to get feedback on the TRC draft TOR from key civil society representatives, human rights NGOs, donors and other related governmental

agencies. In addition, the NTTP Forum discussed the issue of the TRC in a number of its meetings and provided the Ministry with additional technical feedback.

TRC Exposure Visit

The new Interim Government, the Ministry for Peace and Reconstruction, the political parties and civil society experts are now developing the details of the peace, transitional and state reform structures and mechanisms as provided for in the Comprehensive Peace Agreement (CPA) and Interim Constitution. This involves the development of TOR, operational frameworks, structures and policies for the commissions/structures determined by the CPA: the Truth and Reconciliation Commission, the State Reform Recommendation Commission, and the High Level Monitoring body.

The involved parties requested AED to organize an exposure visit/study tour to New York, USA and Lima, Peru to assist them with this process. The aim of the visit was to help the delegation learn from international experiences on transitional justice and Truth and Reconciliation Commissions, in order to assist them in setting up a similar Commission. The visit took place from April 20 - May 4, 2007, and the delegation was led by Deputy Speaker of the Interim Parliament Mrs. Chitralekha Yadav. (See Annex 1 and 2.) This was the first high-level delegation from Nepal to the United Nations in New York since the adoption of the Security Council Resolution to help Nepal in its peace process and the formation of the Interim Government. Apart from meetings at the UN with the Political Affairs Department, OHCHR, and UNDP, the delegation also visited resource institutions like the International Center for Transitional Justice (ICTJ) and the United States Institute for Peace (USIP), which will support the establishment of the various commissions, particularly the Truth and Reconciliation Commission and the work on local policing.

Following the New York visit, the delegation went to Peru to learn about the country's Truth and Reconciliation Commission, and its reparation and healing processes. While in Peru, the delegation met with former Commissioners/officials of the TRC, politicians, victim groups and other organizations and people involved in transitional justice work, and visited Ayacucho, one of the areas most affected by violence.

The objectives of the visit were:

- 1) for the Government of Nepal (GON) and the political parties to strengthen formal working relationships with the United Nations and international centers/agencies that are supporting Nepal's peace and transitional justice structures and processes; and
- 2) to study international experiences in order to contribute to GON, MOPR, and the political parties' conceptualization and development of transitional justice and peace structures for Nepal's ongoing peace process.

Exposure trip participants were as follows:

1. Mr. Arjun Nar Singh KC (Nepali Congress)
2. Mr. Bhim Rawal (CPN-UML)
3. Mrs. Chitralekha Yadav (Deputy Speaker of Interim Parliament)
4. Dr. Prakash Sharan Mahat (Nepali Congress-Democratic)

5. Mr. Daman Nath Dhungana (Former Speaker, NTTP facilitator, observer of Peace Process)
6. Dr. Mathura P. Shrestha (Observer of Peace Process and civil society member)
7. Mr. Mohan Prasad Banjade (Secretary, Law Reform Commission)
8. Mr. Umesh Prasad Mainali (Secretary, Ministry of Home)
9. Mr. Balkrishna Dahal (Prime Minister's Secretary)
10. Mr. Retief Olivier, Chief of Party, AED-NTTP
11. Mr. Bishnu P. Sapkota, Program Manager/Senior Program Officer, AED-NTTP

Mr. Hannes Siebert, NTTP Senior Technical Advisor, coordinated and attended the New York programs, while former AED staff member and Peruvian national Ms. Lorena Rossel coordinated the Peru portion of the program.

The trip was organized and coordinated by AED's NTTP Initiative, with co-funding from USAID's Office of Transition Initiatives (OTI).

TRC Exposure Visit Outcomes – USA

1. The United Nations Under-Secretary General (Department of Political Affairs) Mr. Lynn Pascoe, together with Mr. Tamrat Samuel, was the main host of the delegation on behalf of the UN. The UN received the delegation warmly as the first high-level delegation from Nepal since the major political change of April 2006.
2. The interactions with the various people at the Department of Political Affairs helped bridge the gaps in understanding of the UN's mandate for Nepal and the expectations of Nepal.
3. The meetings helped the delegation understand how the UN mechanism and process work in New York, and its possible impact on the UN field work in Nepal.
4. The delegation established and/or strengthened relationships with various UN departments, including the UNDP, which will improve future interactions. Meetings with the UNDP about Nepal's future course of development helped both sides understand the situations better.
5. The visit was also a formal exchange of appreciation: the UN appreciated Nepal's remarkable progress in the peace process, while the delegation appreciated the UN's role in helping Nepal secure the peace process and political transition.
6. The presentations made by ICTJ helped the delegation understand some of the international practices on transitional justice. The specific presentations on Sierra Leone, Peru and South Africa were very helpful.
7. The delegation established a formal relationship with ICTJ, which will be working in Nepal on transitional justice issues. Linkages between ICTJ and the political parties and government will benefit Nepal in its work on transitional justice issues, as ICTJ can provide technical resource support on this issue.

8. USIP made a useful presentation on policing in the context of Nepal's political transition. The delegation was familiarized with the seriousness of the issue, and was able to reflect on how to address this issue in their country.
9. The Asia Society, based in New York, organized a public discussion on Nepal's peace process, which generated great interest from the international community with an interest in Nepal and Asia. Participants included those who have been expressing solidarity in Nepal's fight for democracy and peace process. This was the only public program organized in New York.

TRC Exposure Visit Outcomes – Peru

1. The delegation interacted with officials of the Peruvian Truth and Reconciliation (TRC), including its Chair and other Commissioners. TRC officials made comprehensive presentations about the process and objectives of the TRC, and what happened after submission of the TRC report.
2. The relative success of the Peruvian TRC helped the Nepal delegation learn how to effectively design the process. The lack of sufficient implementation after the TRC report was submitted was an important lesson for the delegation.
3. A presentation by three TRC staff members helped the delegation learn about the TRC's practical work, and indicated the financial resources required.
4. The meetings/interactions with victim groups, human rights groups and the local community in Ayacucho were fruitful to help understand the different perspectives of people, including the victims, and the root causes of conflict.
5. The delegation recognized the need to set up a Documentation Center, like the one in Lima, to create an institutional memory of the Nepali conflict and the peace process. Similarly, the delegation recognized the importance of establishing a war memorial/museum.
6. Useful discussions were held on the role of civil society and political parties in making the TRC process a success.

TRC Exposure Visit Follow-up

AED hosted a brief meeting on May 14, 2007, between the MOPR, political parties and civil society, including those on the study tour, to share the lessons learned from New York and Peru. In addition, the political parties' representatives on the study tour team are reporting to their party leadership on their own. The Prime Minister's Secretary, Mr. Dahal, debriefed the Prime Minister on the tour, while the Home Secretary debriefed Minister Krishna Prasad Sitaula on the tour and his learning/experiences.

MOPR organized a broad interaction program on TRC and TJ, where the exposure tour participants shared their experiences and the lessons learned that could be useful for Nepal as it starts to work on these topics. The program was attended by almost all the Ministry officials,

including the Technical Committee formed to prepare a draft TOR for the TRC and representative politicians from the parties who were not on the tour.

Minister Ram Chandra Poudel held a special meeting with the participants of the tour, where he was debriefed on their experiences and learning. The Ministry has also followed up with individual participants of the tour as and when required during their work on the TRC and TJ.

The government (and parties to some extent) seems to have recognized the need to engage in discussions with the tour participants to benefit the work on TRC and TJ. Members of the group have become informal resource persons for the TRC process. Also, as a result of the tour, the political parties understand the issue better and realize its significance as well the challenges.

AED's NTTP Initiative continues to be a key partner of the MOPR in its work on the TRC. The experiences and expertise on TRC brought in by AED Chief of Party Mr. Retief Olivier and Senior Technical Advisor Mr. Hannes Siebert from the South African process has been extremely helpful for the stakeholders to contemplate.

NTTP Forum

Since AED launched the NTTP Initiative in August 2005, it has worked closely with a group of former peace process facilitators and key civil society leaders. It was this group that brought the conflicting parties together on various occasions, in a mostly confidential way during the King's direct rule, thereby establishing the NTTP process. With the King no longer in power, two of these leaders were appointed as Peace Process Observers by the Seven Parties and the CPN-Maoist jointly. Mr. Daman Nath Dhungana and Mr. Padma Ratna Tuladhar were facilitators in the previous two rounds of failed dialogues, and the two are highly respected civil society representatives. Ms. Stella Tamang, a women's rights and ethnic rights activist, was added to form the core of the Facilitation Task Group, which supported the stakeholders in moving toward an inclusive dialogue process. AED has contracted Mr. Dhungana, Mr. Tuladhar and Ms. Tamang as consultants to facilitate the NTTP-related peace and negotiations process. Once the formal peace process began between the government and the Maoists, the Facilitation Task Group was folded into the NTTP Forum.

With the assistance of AED, the NTTP Forum meets with the political parties and dialogue teams to address issues that need proper attention during the peace process. The Forum is supporting the stakeholders to develop common ground through problem-solving interventions and information sharing within common spaces. This group has been modeled to establish, institutionalize, and professionalize an inclusive and acceptable peace process support mechanism, supported by international and local experts and institutions.

The NTTP Forum has been meeting regularly to review events and discuss and develop strategies to engage the stakeholders in the NTTP Initiative and to address key political issues relating to the peace process. AED has been supporting the team with resources such as deadlock breaking mechanisms, to enable them to use their expertise, experience and credibility to support the dialogue process. In this regard, AED's Senior Technical Advisor for the NTTP Initiative Mr. Hannes Siebert, Chief of Party Mr. Retief Olivier, and Sr. Program Officer Mr.

Bishnu Sapkota have provided relevant technical advice and inputs to the Forum. This group hosts informal dialogues with stakeholders and feeds directly to the Peace Minister and to the political parties through the AED-contracted Political Party Peace Unit Coordinators, who are also members of the NTTP Forum.

NTTP Forum Members

Three facilitators for the NTTP Forum are contracted by AED as professional resource persons. As mentioned above, these three are Mr. Daman Nath Dhungana, Mr. Padma Ratna Tuladhar, and Ms. Stella Tamang. Mr. Dhungana and Mr. Tuladhar, former facilitators in previous peace processes in Nepal, have also been appointed by the government to serve as observers to the formal Peace Talks. Ms. Stella Tamang, an ethnic and women's rights activist and community worker, has provided support in establishing and supporting Women's Peacebuilding Networks, thereby creating a link between track 2 and track 3 processes and integrating woman's voices in Nepal's peace process.

The other members of the NTTP Forum are representatives from Government/MOPR and the major mainstream political parties (Nepali Congress, CPN-UML, Nepali Congress-Democratic (now unified with the Nepali Congress) and Nepal Sadbhavana Party (A)).

The following are the invited and nominated political party representatives in the NTTP Forum:

1. Mr. Bhim Rawal, central committee member of CPN-UML, former cabinet minister
2. Mr. Arjun NS KC, central committee member of NC, former cabinet minister
3. Dr. Prakash Sharan Mahat, central committee member of NC-D, former state minister
4. Ms. Sarita Giri, central committee member of Nepal Sadbhavana Party (A)
5. Ms. Chitra Lekha Yadav, Deputy Speaker of Interim-Parliament

The Secretary of the MOPR, Mr. Janak Raj Joshi, serves on the NTTP Forum as a liaison between the Government formal peace process and the NTTP process facilitated by AED. The Forum has developed certain "house rules" to support the peace process in consultation with the stakeholders. The NTTP Forum members have access to common work and meeting spaces, as well as information and research resources and a common library. The Forum has frequent and regular meetings/interactions during which they work to reduce their mutual differences on political and technical agendas and develop options for the peace talks on contentious issues.

AED has provided the NTTP Forum with all the basic physical resources they need, including space, computers, printers, telephone, fax, and Internet, as well as secretarial assistance and financial resources to conduct research, studies, and analyses; prepare reports; organize meetings; and other relevant activities.

The facilitators come to their AED-supported NTTP offices at Bhojan Griha regularly and work with AED technical staff and consultants/technical advisors on thematic issues. Based on the inputs and at times at the request of the politician members or the MOPR, the group meets as often as weekly, depending on the urgency of the situation. UNMIN, UNDP and SDC participate in the regular meeting of the Forum as members.

The Minister for Peace and Reconstruction, Mr. Ramchandra Poudel, occasionally meets with the members of this group to get their feedback on the peace process and formation of the various commissions.

Facilitation of dialogue with MJF and NEFIN

The Madhesi Janadhikar Forum (MJF)-led movement in the Tarai protesting the Interim Constitution resulted in violence that took more than two dozen lives. At the same time, the Nepal Federation of Indigenous Nationalities (NEFIN) launched protests in solidarity with the MJF, demanding proportionate representation of elections in the Interim Constitution.

The NEFIN was engaged in dialogue with the government, but the dialogue was not making any headway. MJF was not engaged in any negotiations with the government, refusing to come to the table unless the Home Minister resigned. In this deadlocked situation, AED – through the NTTP facilitators – facilitated dialogue between the agitating groups, the government as represented by the then Peace Secretariat, and the political parties. The Peace Secretariat was entrusted by the government dialogue committee to interact with the MJF and NEFIN. The NTTP Forum assisted the MJF and NEFIN to discuss their agenda with the government and parties and looked for some possible common ground for dialogue. NEFIN chairperson Mr. Pasang Sherpa, NEFIN dialogue committee advisor Dr. Om Gurung, MJF chairperson Mr. Upendra Yadav, Vice-chairperson Mr. Kishor Kumar Biswas, among others, participated in the series of dialogues facilitated by the AED facilitators. The dialogue was a breakthrough, representing the first time that the two sides sat together to discuss their issues.

Mapping Exercise - Military Integration

One of the major challenges in Nepal's peace process is identifying a solution for the management or reintegration of Maoist combatants. Despite some serious hitches, the verification process is moving forward, led by the UN as per the tripartite agreement between the Government, the Maoists and the UN. Nevertheless, the parties and the government have yet to work out a way to re-integrate those combatants verified as eligible by the UN.

The merging of military forces in a post-conflict setting is often one of the most painstaking, but also crucial, tasks involved in a peace process. It requires visionary political and civil leadership, astute military technical expertise, and a willingness by all parties to truly grasp the limits of their bargaining capacity in a grounded fashion. If performed flawlessly, it will surely work to consolidate the gains of peace, thereby rendering a return to arms an ever more remote possibility by removing the perceived threat each party poses to the other.

As the topic is more sensitive than some other political negotiations in the peace process, AED has worked quietly with the stakeholders and helped them do a mapping for negotiations regarding the integration of the Maoist People's Liberation Army (PLA) with the Nepal Army (NA) and other (police) forces. AED, with the assistance of its intern researcher Mr. Steve Hege, conducted a comprehensive research/study and mapping to facilitate the negotiations process. The mapping analyzes the Nepal Army's and PLA's perceptions of each other, the aspirations for reintegration, potential challenges to be faced, and the entry point for negotiations, and was based on research, comments, and reflections compiled during numerous consultations and interviews with PLA and NA commanders and combatants, as well as national and international

experts. Site visits were also carried out to a number of PLA cantonment sites and NA barracks. Additionally a thorough literature review was conducted focusing on security sector reform, military integration, and Nepal civil-military relations, all of which can be accessed through the NTTP Peace Library established by AED.

The mapping analysis has helped the confidential dialogues and negotiations to take place in a discrete way. AED is also providing the MOPR and the Cantonment Management Committee of the Government with required technical knowledge in this regard.

In addition, AED's technical advisor and facilitators have facilitated a few key confidential negotiations dialogues between the Nepal Army and PLA/CPN-Maoist leadership.

Visit to Maoist Cantonments

AED and the three facilitators visited twelve Maoist combatants' cantonments between December 2006 and the beginning of this year to assess the situation and provide relevant information to the MOPR and the political parties. The team visited camps in Surkhet, Kailai and Ilam divisions in the west, far-west and eastern regions.

The group prepared a document reflecting their observations of the situation in the camps and made a joint presentation to the Peace Committee, (then) Peace Secretariat, Government's Cantonment Management Office, and the relevant UN agencies, including UNMIN and the Resident Coordinator of the UN. The document was also shared with the NTTP group of politicians and Prime Minister Mr. Girija Prasad Koirala. The document recommended ways to address the lack of coordination between the government's cantonment management office, the local administration, the UN, and the Maoists. The report concluded that the delay in the management of the cantonments would lead to a delay in the whole peace process as it would impact the Maoist arms and army registration and verification process by the UN Mission. The visit and subsequent presentations helped the Government and the UN to understand the areas lacking in coordination, and to promise better management of the cantonments.

As a follow-up and to help the military integration negotiations mapping, Steve Hege and researcher Suvechha Adhikari visited the cantonments in the Surkhet area in the third week of May 2007. A fresh assessment was reported back to the NTTP Forum, the Ministry and the Cantonment Management Committee to further improve understanding of the situation in the cantonments by the political parties and the Ministry.

Political Party Peace Units

The political parties have been working on technical areas in preparation for negotiations, peace agreements and other general aspects of the peace process. However, the parties did not have a functional research department to collect information and data, analyze the situation, or prepare policy documents. With this in view, AED has supported four major political parties to set up their own Peace Units to work as internal resource centers to analyze conflict, build political perspectives, and develop, guide and advise the Party's engagement in the peace process, thereby developing different policy options for the Multi-party dialogues. Negotiations with other political parties about setting up Peace Units are continuing.

Each Unit consists of a senior party member and three additional members, including a full time researcher housed in AED's NTTP office who coordinates information for the party leadership. The resource center established at the AED/NTTP Office and linked to the parties by Groove Virtual Office© provides the parties with electronic and printed materials and resources on conflict transformation for use by the party leadership and members. AED's technical and research staff also share research documents and other related materials with the Peace Units. The Peace Units have been making the use of the NTTP research space on a regular basis.

The four major political parties that have been engaged in the NTTP process – Nepali Congress, Communist Party of Nepal-Unified Marxist Leninist (CPN-UML), Nepali Congress-Democratic (now unified with Nepali Congress) and Nepal Sadhbhavana Party (Anandidevi) – now have formalized Peace Units with appointed coordinators. AED extended the contracts it has signed with the coordinators and researchers this year. The officially nominated coordinators for the Peace Units are:

- Mr. Arjun Narsingh KC, Central Committee member of the Nepali Congress
- Dr. Prakash Sharan Mahat, Central Committee member of the Nepali Congress (Democratic)
- Mr. Bhim Rawal, Central Committee member of CPN-UML
- Mrs. Sarita Giri, Central Committee member and Spokesperson of Nepal Sadbhavana Party (A)

The Nepali Congress and the CPN-UML have appointed researchers who work in the NTTP offices as a technical resource bridge between the parties' concerned department and the NTTP process facilitated by AED.

The Peace Unit Coordinators of the Parties are members of the NTTP Forum as described in a previous section of this report. The Peace Unit Coordinators – key second-tier leaders from their respective parties – have served in various crucial task forces, negotiations and consultative committees for the national peace process.

Technical inputs to the election procedure/models

The political parties disagreed on the various models of electoral systems. To some degree, the parties lacked understanding and expertise on the technical aspects of electoral systems (such as defining the mixed system for Nepal), which delayed agreement on one particular model. AED collaborated with International Foundation for Election Systems (IFES), a USAID-funded partner working in the area of elections in Nepal, to provide technical inputs to the political parties, which helped them understand the issue better and reach a decision.

International Technical Resource Support Group

AED has been working very closely with a few diplomatic missions based in Kathmandu to provide technical and moral support to the key stakeholders engaged in the peace process through the NTTP Forum. This group was initiated in late 2005, when the King was in power, the CPN-Maoist was at war, and the political parties were fighting against the King's autocratic rule. The political parties and civil society members in the NTTP Forum felt that this international support group brought a lot of value to the process, and decided that the NTTP Forum should continue to work with the Missions in the changed political context too.

AED has been careful not to brand the NTTP process as one donor/INGO-driven, therefore the participation and support of multiple diplomatic missions has increased credibility and ownership. The members of the international technical resource support group are the Swiss Government, Royal Danish Embassy, Royal Norwegian Embassy and the UN. The support of such bilateral diplomatic missions has helped the NTTP process gain credibility and acceptability within the political parties and the government.

The SDC has provided financial support to the NTTP process as well, specifically when AED required additional funding for international exposure trips. The SDC supported a Maoist delegate's participation in two trips—South Africa in July 2006 and New York/Peru in April/May 2007. This support provided an additional opportunity for one of the conflicting parties to interact with other parties and government officials, and to learn about local peace structures, constituent assembly and transitional justice. The Norwegian Embassy and DANIDA also provided financial support for some of the NTTP members to go to South Africa.

The participation of the UN has provided additional credibility to the NTTP process. The AED-initiated and supported NTTP forum remains the only venue where the formal peace structures of the government, MOPR, political parties, civil society and UNMIN work together.

Women's Peacebuilding Networks

With separate funding from USAID/CMM, AED has been implementing a program to build the capacity of Nepali women's peacebuilding networks to effectively engage in the peace process. AED's NTTP Initiative supports the implementation of this program, particularly by establishing linkages between the women's peacebuilding program and the political parties and government to incorporate women's agendas in the peace process. A separate report is being submitted to USAID about this program.

ADMINISTRATIVE MANAGEMENT

Office Space

Due to the expansion of AED's programs under the NTTP Initiative resulting from political changes in the country and the additional award to AED by USAID/CMM to support women's networks link activities to peacebuilding, AED moved its offices to a larger space on November 15, 2006. The new office in the Bhojagriha building in Dillibazaar, Kathmandu also provides sufficient office space for the stakeholders (facilitators), Political Parties Peace Unit Researchers, and expanded AED staff members, as well as boardrooms and a conference hall. The central location of the new office and its proximity to the Ministry of Peace and Reconstruction is more convenient for NTTP meetings, Peace Unit staff to come in, and the almost daily meetings at the Ministry.

Staffing

Prior to October 2006, Program Associate Ms. Sajana Maharjan also served as Secretary. Ms. Ashima Acharya was hired on October as the Office Secretary, but then resigned on January 9, 2007. She was replaced on March 1, 2007 by Ms. Dikchya Rajbanshi, who serves as Office Secretary as well as Finance and Program Assistant.

Ms. Suvechha Adhikary, who worked as a consultant-researcher since September 2006, was hired as an employee (Researcher) on December 1, 2006. She conducts research for the virtual library and also coordinates the Researchers of the Political Parties Peace Units.

Ms. Kanti Risal was hired as Program Officer for the new USAID/CMM Women's Peacebuilding Networks Program on December 15, 2006.

Also in relation to the new USAID/CMM program, Ms. Kapila Amatya, AED/NTTP's Finance Manager, began to work as the Operations and Grants Manager (to work on the grants component of the new women's program) and Mr. Kileshwor Malla was hired on January 2, 2007 as the new Finance Manager. For personal reasons, Mr. Malla resigned on May 13 and was replaced by Mr. Dilip Niroula on June 21.

Ms. Sujan Rai was selected on January 2 as the Program Associate to assist the stakeholders' office (facilitators) as well as Senior Technical Advisor Mr. Hannes Siebert. Some of her time is also set aside to assist with the Women's Program.

During the absence of Chief of Party Mr. Retief Olivier, the Senior Program Officer/Program Manager Mr. Bishnu Sapkota served as Acting Chief of Party.

Consultants/Subcontractors

Mr. Hannes Siebert continued to work as Senior Technical Advisor through a subcontract with his organization, the Peace Appeal Foundation. Dr. Andries Odendaal, a South African expert on local peace structures, traveled to Nepal to support the project three times (a few weeks each) during the period covered by this report.

The AED-contracted peace process facilitators/resource persons continued to provide their services. Additionally, AED contracted four politicians nominated by their parties to work as the Peace Unit Coordinator for their respective parties.

Performance Monitoring Plan

AED's NTTP Initiative's PMP establishes the Project Goal as building capacity for multi-stakeholder participation in the Nepal peace process. The overarching objective towards building capacity for the stakeholders is to increase productive dialogue between those stakeholders. To achieve that main objective, the capacities of the Peace Secretariat, the Political Parties, and the Peace Process Support Group/Facilitators must be increased in order for the stakeholders to be able to hold successful dialogues on substantive issues in the peace process. Specifically, AED works on two areas of capacity building for the Peace Secretariat/Peace Ministry, the Political Parties, and the Facilitators: Skills and Knowledge and Access to Information.

The results framework included in the PMP (see annex 3) clarifies how AED's NTTP Initiative connects to USAID's SO 8: Promoting peace through improved governance and incomes in targeted areas, and specifically USAID's IR 8.3: Increased national capacity to effectively engage in transition to peace processes. AED's NTTP Initiative helps lay the foundations for a

successful peace process by building the capacity of the stakeholders and facilitators in ways that allows them to effectively engage each other in constructive dialogue to generate problem-solving options and resolve issues.

In its second year, AED met or exceeded all of the targets for indicators set to quantitatively measure its work toward satisfying the programs, and USAID's, objectives. The full PMP is attached as annex 3 to this report.

ACTIVITY PROJECTIONS FOR NEXT YEAR

In the new political context and the country's transition to peace, there are a number of issues where significantly more technical support will be required than in the past. AED has therefore refocused its NTTP program to make sure that allocated resources go to the right places and structures, which have been created in course of the political transition. At the same time, AED will remain responsive to new opportunities or requests for assistance that emerge from the relevant stakeholders to ensure maximum impact. The following activities are anticipated over the next year:

- Continued support to the Ministry of Peace and Reconstruction (MOPR) for its expanded role in the peace process and political transition
- Continued support to the Peace Process Support Group
- Continued support to the Political Parties Peace Units
- Training and implementation support for Local Peace Committees through the MOPR
- Support the formation and operationalization of the Truth and Reconciliation Commission
- Technical support to the political parties and the MOPR in the process negotiations with different groups
- Technical support to the MOPR in its work on State Restructuring Recommendation Commission, military integration and other transitional structures
- Initiation of the National Women's Peacebuilding Network