

Nepal's Peace Process: The Endgame Nears

I. OVERVIEW

Nepal's peace process has moved into a phase of definitive progress. More than five years after the ceasefire, the parties have reached a deal on the Maoist fighters, who will leave the cantonments and enter the army or civilian life. An unofficial deal sets out power-sharing arrangements until the next election. The parties are focusing on the critical task of writing a new constitution, which promises a deep restructuring of the state to become more representative and decentralised. Challenges remain, including from continuously evolving coalition dynamics and divisions within parties. There will also have to be further discussions on the combatants. As the parties discuss federalism, which of all peace process issues goes most to the heart of ordinary Nepalis' expectations and anxieties, groups within and outside the Constituent Assembly will see their options narrow, which could strain the process. Yet, this is still the best chance the parties have had to reach formal closure on the war and to institute some of the fundamental changes they promised, provided they have the courage to make far-sighted compromises.

The breakthrough on 1 November was the result of a series of realignments between many political leaders and factions of parties, which strengthened the futures of certain individuals and acknowledged their political lines. The major players also had few unused tools left in the negotiating process, and gratuitous inflexibility and stalling had run their course as bargaining tactics. Major power centres in all three parties, including a dogmatic faction of the Maoists, resent having been left out of the talks. But while they can obstruct and slow the process, they cannot derail it. A consensus government will have to be formed sooner or later, though it is unclear whether the present government will need to resign or whether the opposition will join in.

Power-sharing remains the most tangible dividend coming out of the peace process to date, though there was no mention of it in the November 2006 Comprehensive Peace Agreement (CPA). The formation of a Maoist-led government in August 2011 was the first factor that made progress possible. Without that, the party would have been reluctant to give up its army. Following that was the Maoists' willingness to unofficially accept the main opposition party, the Nepali Congress (NC), as leader of the

post-constitution government to oversee the next election, which should take place some months after the new constitution is adopted. The Maoists' main coalition partner, the Samyukta Loktantrik Madhesi Morcha (Morcha), an alliance of five Madhes-based parties, has often been seen as fractious and anti-Maoist, but the strength of the front and the new government challenges that perception. Finally, there has been a gradual shift in India's policy line in 2011, reversing an often hostile approach to the Maoists in favour of accommodation and cooperation.

After the 1 November agreement, the Maoist combatants were surveyed and chose either integration into the national army or voluntary retirement with a cash package. More fighters chose integration into the Nepal Army (NA) than the 6,500 allowed by the deal. This opens up another negotiation on the final number. Combatants likewise showed themselves to be unhappy about decisions made on individual qualifications for entry into the NA. Ranks have not been decided yet either. The special concerns of fighters with disabilities will also have to be addressed. Discussions could be protracted, but are not likely to derail the constitution writing process.

The term of the Constituent Assembly (CA) was renewed for six months, from 1 December, and the state restructuring commission, controversial but mandated by the interim constitution, was formed. The commission should build on proposals already prepared in the CA and also provide recommendations to that body. Its composition, however, suggests that critical decisions will be taken elsewhere, at the highest political level. Indeed, senior leaders are on track to negotiate compromises on the proposed federal states and system. They will have to balance acknowledging historical identities and discrimination and the rights of Nepal's many ethnic, caste and linguistic groups.

The manner in which negotiations take place matters as much as the outcome. Historically marginalised communities, their representatives in mainstream parties and other ethnic formations have to be engaged, rather than simply be informed of decisions. Centralised, top-down decisions on federalism cannot be sold easily outside Kathmandu, where identity-based groups and sceptics of federalism have been mobilising. There is supposed to be public consultation on proposed constitutional provisions. Rather than treat this as a formality, the parties should see it as a way to increase the buy-in of various groups.

As the future landscape becomes clearer, resistance could well come from traditionally powerful constituencies that are outside the CA and see the proposed changes as a zero-sum game, including a mix of anti-federalists, Hindu groups that oppose secularism and some royalists. The parties in the CA and their factions will also look to extract the most from the process, and parliamentary parties on the right are regrouping. For many, the temptation could be to not negotiate, but instead to sharpen social polarisation along the divisions the peace process seeks to narrow: ethnic, religious, cultural, regional and class.

The peace process has informally come to mean only the question of the Maoist fighters, rather than the whole of the CPA. Politicians do regard the constitution as a matter of urgency, but they are also exhausted and want to see the process quickly concluded, so Nepal can go back to business as usual. The commitment to democratise the Nepal Army has already been dropped. The commission on land reform is a dead-end. The issue of justice for war-era abuses continues to be defined by the lack of incentive for all actors to deal with it. These issues and the complexities of federalism will not lose relevance simply because the mainstream parties decide to ignore them. Whether or not they prove to be drivers of mass mobilisation or violence in the coming months, they will be critical ahead of the next general election. Nepal's political class needs to make some difficult decisions rather quickly, so as to ensure its own relevance.

II. A NEW DEAL, NEW CHALLENGES

The 1 November deal for the first time laid out concrete options for the integration and rehabilitation of Maoist fighters and revived some of the major commitments of the CPA.¹ For the Maoists, this was a long-overdue demonstration of their party's willingness to give up its military. For the NC and other parties, this meant accepting that

¹ For recent Crisis Group reporting on the evolving political dynamic, the connection between peace process issues and power-sharing, and other contested issues related to the CA and the Maoist army, see Asia Briefing N°120, *Nepal's Fitful Peace Process*, 7 April 2011; and Asia Report N°211, *Nepal: From Two Armies to One*, 18 August 2011. For Crisis Group reporting on the November 2006 Comprehensive Peace Agreement, the April 2008 Constituent Assembly election and the long stalemate that followed, see Asia Report N°126, *Nepal's Peace Agreement: Making it Work*, 15 December 2006; Asia Report N°155, *Nepal's Election: A Peaceful Revolution*, 3 July 2008; Asia Report N°156, *Nepal's New Political Landscape*, 3 July 2008; and Asia Report N°211, *Nepal's Future: In Whose Hands?*, 13 August 2009. Full Nepali translations of these reports and briefings, except *Nepal's Peace Agreement: Making it Work*, are available at www.crisisgroup.org/nepali.

integration of some Maoist fighters into the Nepal Army (NA) was unavoidable and that continuously stalling was no longer rewarding.² The deal is critical for the Maoist fighters, whose future has been up in the air for five years. More broadly, it paved the way for progress on the constitution, which was stalled as long as there were two armies in the country.

The Maoist party was clear that it had to be in power before it could make a deal that would dismantle the People's Liberation Army (PLA). The other parties and New Delhi were equally clear that a Maoist-led government could not be headed by the party chairman, Pushpa Kamal Dahal "Prachanda", who they felt had been unreliable and antagonistic when he was prime minister.³ For them, as well as for the faction of the Maoist party led by Senior Vice-Chairman Mohan Baidya "Kiran", that felt Prachanda exerted too much control over the party, senior leader Baburam Bhattarai was a broadly acceptable option.⁴

² A maximum of 6,500 ex-combatants are to be integrated into a new Nepal Army (NA) directorate responsible for forest and industrial security, development support and crisis management. There is to be some relaxation of the NA's regular recruitment standards for age, educational qualifications and marital status. Whatever the final number of former Maoist fighters are chosen for integration, they are to comprise 35 per cent of the personnel in the directorate, whose remaining personnel are to be drawn from other parts of the NA. Cash packages for combatants to be rehabilitated have also been negotiated. See also Crisis Group Report, *Nepal: From Two Armies to One*, op. cit. Other elements of the deal include forming the commissions on enforced disappearance and truth and reconciliation, addressing "legal cases of the conflict period" in keeping with the CPA and the 2007 interim constitution and providing relief packages for conflict victims. For more on justice and reparations issues, see Crisis Group Reports N°184, *Nepal: Peace and Justice*, 14 January 2010 and *Nepal: From Two Armies to One*, op. cit. The parties committed to forming a national consensus government as the peace process and constitution writing proceeded. This left the door open for further disputes on sequencing. Similarly, there is no clarity on how land reform will take place, although the CPA calls for a commission. Finally, the CPA and interim constitution present as parallel the commitments to integration and rehabilitation of Maoist army personnel and democratisation of the Nepal Army, but the latter is entirely absent from the new agreement.

³ Prachanda's attempt to dismiss the chief of army staff in April 2009 and his perceived attempts to counter India's influence in Nepal on politics and economy by moving closer to China went a long way towards making him unacceptable and contributed significantly to the sidelining of the Maoists from government and decision-making from May 2009 until early 2011. For background, see Crisis Group Report, *Nepal's Future: In Whose Hands?*, and Briefing, *Nepal's Fitful Peace Process*, both op. cit.

⁴ Although Prachanda continues to be the most influential leader in the party, senior Maoist leaders have posed sustained challenges to him in 2011 and demanded more democratic decision-

For the Maoists, leading the government would help sell the deal to the combatants and enable greater control over its implementation.⁵ If the 1 November agreement had not happened, the party would have taken a “unilateral” step on the cantonments, arguing that it was willing to sacrifice and meet the other parties more than halfway, in order to ensure progress on the constitution. With or without the deal, the Maoists would regain credibility. In fact, moving on the PLA was a compulsion for the party as much as it was a conciliatory gesture. The army’s political usefulness was declining, and its potential to be a liability was increasing.⁶ The time, therefore, was right to reach an agreement on the combatants’ futures and to extract some concessions in return.

Obstruction and stalling on peace process negotiations carried the NC up to a point. But the Maoists began credibly stating in 2011 that they would move unilaterally on the PLA, if necessary, and the Maoist-Madhesi alliance appeared to be strong. Additionally, anti-Maoist positions no longer had India’s blanket support. The alternatives to the peace process occasionally floated over the last two years – dissolution of the CA, a period of president’s rule, fresh elections – had receded rapidly following the extension of the CA in May 2011. Given the infighting within the parties, none was in a position to take advantage of a serious change of course. The NA was not in the mood for a confrontation, and there would have been no international support for abandonment of the peace process. By May 2011, the parties were also finally negotiating specifics, such as when the Maoists would hand the PLA’s

making. The remainder of this section is based on Crisis Group interviews, senior members of NC, the Maoist party, Madhesi parties, UML, journalists, Indian officials and observers, Kathmandu and New Delhi, August-November 2011.

⁵ Taking a broader view, the first step towards the breakthrough was the UML-Maoist government formed in February 2011 under the UML chairman, Jhala Nath Khanal. The Maoists came back into the government in stages. Being a junior partner in Khanal’s cabinet made their approach to other actors and display of flexibility seem more plausible and conciliatory. Then, to extend the term of the CA in May 2011 by three months, the parties struck a deal, enthusiastically supported by the Maoists, which said Khanal would resign to pave the way for a national unity government. This meant that the government would have to change by the end of August, when the CA came up for renewal again, whether or not a consensus government was possible. In July, the Maoist party central committee agreed on Bhattarai as its candidate for prime minister, which reduced some tensions between senior leaders. The alliance with the Madhesi Morcha was formed in the following weeks, and with its support, Bhattarai was elected prime minister at the end of August. The CA was renewed for another three months with little ceremony, and the Maoists could start making progress on the peace process.

⁶ For more on discontent among the combatants, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

weapons over to the state and whether leadership of the government could rotate between parties.⁷ When Bhattarai was elected prime minister in August 2011, all parties were displaying an unprecedented degree of fatigue.

Although the NC understandably feared losing leverage over the process once there had been minor progress on the combatants, some movement on the PLA at least had become inevitable. These new conditions mattered particularly to the NC, whose leaders had begun to think of life beyond the disbanding of the PLA and the constitution. Individual leaders are increasingly concerned as much about their political futures as they are about the party’s electoral prospects. Factionalism has eroded the authority of many senior leaders and slowed down the careers of others. Abstract incentives, like not being seen as the spoiler in the process or building political capital by making statesman-like contributions, do not offer immediate or guaranteed rewards. But peace process progress does promise tangible benefits: a share of government and the ability to expand individual and party networks.

This was the context in which some of the same actors who had put together the original 2005 twelve-point agreement between the parties negotiated the new deal.⁸ This negotiation, as in 2005, was helped along by India. The other major player without a formal seat at the table was the Nepal Army, but senior generals were kept apprised of the talks as they proceeded.⁹

It is not clear whether the calculation will pay off entirely for the Maoists. The 1 November deal has validated the peace process to some sceptics in and outside the party. It has also reinforced the Maoists’ position as the most significant party, without whose leadership the peace process flounders. But the details of integration and rehabilitation have caused resentment among combatants and within the party’s dogmatic faction, which includes Kiran and other senior leaders. The fighters feel it is a bad deal, particularly regarding integration. For the Kiran faction, what they regard as “humiliating” terms for integration and abandonment of the commitment to democratising the

⁷ See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

⁸ The twelve-point agreement of 2005 paved the way for the Jana Andolan (People’s Movement) in April the next year, the unseating of the king, the ceasefire and finally the peace process.

⁹ The NA was not just kept informed about the negotiations; the final deal on integration was based on an NA proposal from earlier in 2011. See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit. The subject of democratisation and downsizing of the army to make it more accountable, inclusive and affordable is never raised in discussions between the parties and the NA.

Nepal Army are signs that the party is becoming revisionist, instead of staying revolutionary.¹⁰

So far, in return for these compromises, the party appears to have gained only leadership of the government. The discontent in the party and army does not amount to outright rejection of the peace process, but it is a warning that the leadership cannot afford to give up on its core agenda or dismiss the concerns of the fighters. The “establishment” faction indirectly argues that giving up, or even “sacrificing” the PLA is essential to keeping the peace process intact and making progress on the bigger aim of a new constitution. A PLA divisional commander told Crisis Group, “The PLA will no longer exist. Having paved the way for the new constitution, it will become part of history through the constitution”.¹¹ Careful negotiations on two fronts – on federalism at the CA and within the party on sharing of power and decision-making – will be essential, if Bhattarai and Prachanda are to manage the alienation of many fighters and party workers and the resentment of their rivals in the party.

To maintain progress in the peace process, the Maoists will have to keep their allies close and make good on their promises. The Madhesi Morcha has a large share of ministries in the government and Madhes-based parties and the Maoists have a common commitment to federalism, unlike many actors in the other parties. The strength of the Maoist-Madhesi alliance hinges on these factors and the Morcha members’ ability to stick together. Unless he wants another long stalemate on the peace process, Prachanda will have to keep his ambition to lead the country on hold. He will need to reassure NC president Sushil Koirala that once the new constitution is promulgated under Bhattarai, the NC will, as promised, be allowed to lead the government that will conduct the next general election. NC members have said candidly to Crisis Group that their party fears not being back in power before the next election and thus having less access to state authority and resources.¹² The Maoists’ promise was private and unofficial, and such backroom deals have often been subject to different interpretations in recent years.

In addition to maintaining momentum on the PLA and negotiating constitutional issues, the parties must also decide how and when to form a government of national unity. There are disputes over whether the present govern-

ment must resign and a new one be formed, or whether the opposition NC and UML can join in Bhattarai’s government. If the latter, then division of ministerial portfolios could again slow things down. It is also not clear whether this will be the promised NC-led government.

III. THE MOOD IN THE CANTONMENTS

A. INTEGRATION IN THE NA OR CASH?

The 1 November deal set out for the first time some details of the options available to PLA members. This allowed the multi-party special committee on supervision, integration and rehabilitation of Maoist combatants (special committee) to go to the cantonments and begin a “re-grouping” process. This involved re-verifying Maoist army personnel¹³ and asking whether they preferred integration, a buy-out and voluntary retirement or rehabilitation. More than 9,000 opted for integration, just over 7,000 for retirement and a mere six for rehabilitation. About 2,600 of the PLA’s 19,600 verified combatants did not appear for the process. Combatants will be separated into groups and go into training courses before they are placed in the NA, take their cash and leave or enter rehabilitation programs for further training. Combatants will thus be separated from the PLA command structure and the Maoist army will be dissolved.

Some roadblocks became apparent as soon as the secretariat of the special committee went into the cantonments. Crisis Group observed late preparations for the regrouping process and its early days in four of the seven Maoist cantonments. Combatants understood the need for progress on disbanding the PLA but were often deeply anxious about their own futures. There was a palpable sense that the Maoist leadership had not negotiated with the combatants’ best interests at heart. Most fighters had calculated in detail the costs and benefits of each option. Far from being the unschooled, unruly or brainwashed combatants imagined by Kathmandu’s elites and donors, these are rational and largely committed individuals making difficult choices.

Combatants were angry at their leaders for having agreed to the NC demand that their rank and education qualifications as of the 2007 verification would be the basis for determining entry into the NA and their rank there. The NC argues that since the proposal for integration already offers some flexibility beyond the NA’s standard norms for recruitment and promotions, it would be asking too much to also consider the combatants’ present qualifica-

¹⁰ Crisis Group interviews, PLA personnel in the Third, Fifth, Sixth and Seventh Division cantonments, Chitwan, Rolpa, Surkhet and Kailali, 18-21 November 2011.

¹¹ Crisis Group interview, Dhana Bahadur Maskey “Rajesh”, PLA Third Division Commander, Shaktikhor, Chitwan, 18 November 2011.

¹² Crisis Group interviews, NC central working committee members, Kathmandu, August, September, October 2011.

¹³ Maoist army members were originally verified as such by the UN Mission in Nepal (UNMIN) in 2007. For details, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

tions. However, the majority of the 19,500-strong Maoist army have used the last four years to study, and many have been promoted. The highest rank at which an ex-Maoist combatant will be integrated is also undecided.¹⁴ The secretariat agreed to list old and new ranks on identity cards and to document combatants' current level of education. A final decision on numbers, rank and education will have to be taken at the political level and could be a complex negotiation.

The Maoists will also be under pressure from the other parties to account for the salaries and allowances paid out to the 2,600 fighters who did not present themselves for regrouping. Non-Maoist parties have often said that fewer combatants remained in the cantonments than had been verified and that the party was diverting their salaries. They are now demanding that the Maoist party return the salaries. However, there is no way of knowing for how long these combatants have been missing from the cantonments or indeed how many returned for the grouping after a considerable absence.¹⁵

The bargaining could hinge on numbers. For many Maoist fighters, the NA offers stability, a secure job and a pension. Moreover, a combatant said, "I'm young, I still want to do something for the country. I've been a fighter, so it's natural that I choose the army"¹⁶

There is more to the rush for integration than a sense of duty or career prospects, though. For others, the motivation could be disillusionment with the leaders who negotiated the deal. Some combatants expressed their dissatisfaction with the deal and the irrationality of deciding on numbers before conducting a survey. A fighter said, "They [the Maoist leadership] decided on how many of us would go into the army, and they gave in to the NC on education. But now they are asking us. So some friends are express-

ing their opinion and choosing integration even if they won't be able to join the army. Some are mothers, others are disabled"¹⁷.

About 10-15 per cent of PLA combatants have disabilities. They argue that their needs are not adequately met by any of the options and have said they will agitate.¹⁸ Choices for women fighters are similarly limited. Of the close to 4,000 women fighters, many are married and at least half have children. They will not be eligible for integration.¹⁹

PLA commanders downplay it, but the divisions at the top of the party are present to some degree in the cantonments.²⁰ The Kiran faction called on loyalists to opt for retirement and continue working for the revolution. In response, initially at least, the party establishment and commanders appear to have suggested to combatants that they opt for integration. In the first two days of the regrouping process, a higher proportion of combatants were opting for integration over retirement, in some cantonments almost double. By the end of the third day, the numbers began levelling off. The commander of the Sixth Division told Crisis Group that he and some of his counterparts had started counselling fighters to choose cash, so that there was not an unmanageable number for integration.²¹ The cash packages are attractive, between Rs. 500,000 (approx. \$5,960) and Rs. 800,000 (approx. \$9,500).²²

¹⁴ Members of the special committee say that although the NA maintains that major is the highest rank it will allow a former Maoist fighter, one colonel slot is still possible. This may be subject to an informal agreement that the person receiving that rank will not be promoted further or will take early retirement. Crisis Group interview, special committee member, November 2011. "We did not fight with the aim of becoming generals in the Nepal Army", a senior commander told Crisis Group, "but it [accommodating a few ex-combatants at senior levels] is a matter of accepting that we did not lose the war". Crisis Group interview, PLA Third Division cantonment, Shaktikhor, Chitwan, 18 November 2011.

¹⁵ A PLA fighter is paid a salary of about \$77 a month and an allowance of about \$0.85-\$1.30 a day. At minimum, therefore, a month's salary and allowance for 2,600 fighters is worth just over \$266,000. For debates about the size of the PLA and attendance in the cantonments, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

¹⁶ Crisis Group interview, soldier, PLA Fifth Division, Dahabhan, Rolpa, 19 November 2011.

¹⁷ Crisis Group telephone interview, mid-level commander, PLA Third Division, Shaktikhor, Chitwan, 26 November 2011.

¹⁸ See, for example, "PM, Dahal met with stir warning[?]", *The Himalayan Times*, 2 December 2011. While addressing their concerns, it is vital that all parties remember the other victims of the war, from all sides, for whom support and reparations have been ad hoc at best. See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

¹⁹ For more on women combatants, who comprise about 25 per cent of the PLA, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

²⁰ In the Fifth Division, for example, one division vice-commander stuck to the party line that the PLA was not against the 1 November agreement but wanted a better deal. The other said that he disagreed with the spirit of the 1 November agreement. Press conference, Raj Bahadur Budha Magar "Avinash" and Ram Lal Roka Magara "Madan", PLA Fifth Division vice commanders, Dahabhan, Rolpa, 19 November 2011.

²¹ Crisis Group interview, Mahendra Shahi "Prajwal", PLA Sixth Division commander, Dasarathpur, Surkhet, 21 November 2011. It is possible the party wanted the final figure to be more than 6,500, so as to gain leverage in further negotiations. The party's approach has been fluid. A senior Maoist and former PLA leader told Crisis Group in August that he was uncertain how many fighters would want to be part of the Nepal Army. The cash rehabilitation packages were generous and could have been attractive to many who found the years in the cantonments frustrating.

²² "Shanti ra samvidhanka lagi sahamati", *Kantipur*, 2 November 2011.

About 2,500 Maoist combatants discharged from the cantonments in early 2010 continue to mobilise and criticise the party establishment for abandoning them. Publicly, they have the support of the Kiran faction, and their rhetoric of being “humiliated” could find resonance among combatants who say the 1 November deal did not fully respect the PLA’s contribution to the creation of a secular republic. It is too early to say whether combatants excluded from integration will be driven to mobilise along similar or more aggressive lines, but the party’s own treatment of them will be a decisive factor.²³ There has been no discussion yet of follow-up and monitoring. For combatants who choose retirement, this is perhaps neither desirable nor feasible. For those who enter the Nepal Army, however, there is a clear need for integrated combatants and their new commanding officers to have a neutral body that can address and adjudicate grievances and disputes that might arise, such as differences over ranks and promotions or ill-treatment. This function could be carried out by a modified form of the special committee’s secretariat.²⁴

B. UNPOPULAR REHABILITATION

Only half a dozen of the almost 17,000 combatants surveyed opted for rehabilitation, although the package contains vocational training courses, stipends and a small sum of money upfront. The goals of the rehabilitation option are to separate individuals from a life of war and full-time party work and enable them to start new lives with reasonable prospects.²⁵ For a variety of reasons, however, the perception among combatants is that rehabilitation entails commitment to a long training program with no guarantee of employment at the end. In contrast, the prospect of immediate cash in hand makes sense to those who want to move on to other things quickly and who may not want to separate themselves from full-time party work. Moreover, the vocabulary of rehabilitation is itself distasteful to combatants who argue that they have contributed posi-

tively to Nepal by making it a republic, not done something criminal.

“The rehab training is for us to become goat herders, make orange juice or repair cars”, a platoon commander said disapprovingly.²⁶ Although making a living is a driving concern, many combatants retain a strong sense of wanting to contribute to the country. A divisional commander said some kinds of vocational training could have been devised to address this desire, such as how to build solar panels or set up very small hydro power plants. It is unclear whether the Maoist representatives to the special committee and its secretariat conveyed such views to donors. The commander noted that “cultural” factors also contributed to combatants’ reluctance to opt for rehabilitation. “The government [represented by the special committee] could not even set up their internet connection for the regrouping process properly. Then they had trouble printing IDs. How can combatants be sure their programs will be well-administered or that they will not be given the run-around by bureaucrats later?”²⁷

There has been a clear failure on three fronts. The Maoist party leadership and PLA command have been unable or unwilling to discuss the rehabilitation option frankly with the fighters.²⁸ The non-Maoist parties washed their hands of rehabilitation, saying they did not want to deal with administering such a program.²⁹ There has also been a political failure of donors, who did not sufficiently press the Maoist party and government to take the option seriously. They criticised the cash packages on the grounds that “international experience” showed them to be ineffective,³⁰ while rehabilitation was presented as a separate, third option after integration or cash. Yet, it was clear months before the regrouping began that all political representatives on the special committee favoured money, not rehabilitation. So, by all accounts, did the combatants.³¹ Donors might

²³ See, for example “Discharged fighters form organisation”, *The Kathmandu Post*, 2 December 2011, about a group of disqualified fighters forming an organisation called People’s Liberation Army Nepal. Its objective is not a return to war, but better treatment for the fighters. For an analysis of the discharge process and its implications for retirement and rehabilitation of verified fighters, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit. There is a mix of personal, party, and factional calculations at play. How these ultimately sort themselves out could have implications for whether or not elements of the party’s military structure will survive in some residual form.

²⁴ For this and other recommendations, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

²⁵ For a detailed account of the donor-driven push for rehabilitation and combatants’ attitudes, see *ibid.*

²⁶ Crisis Group interview, PLA Seventh Division, Taalband, Kailali, 20 November 2011.

²⁷ Crisis Group interview, Prajwalla, PLA Seventh Division commander, Dasarathpur, Surkhet, 21 November 2011. His views were echoed by a member of the special committee’s secretariat that conducted the regrouping.

²⁸ The Maoists took a similar approach during the discharge of fighters who were disqualified as underage or recruited after the peace deal. The party actively dissuaded those discharged from accepting the rehabilitation packages administered by the UN Development Programme (UNDP), saying that the party would take care of them.

²⁹ Crisis Group interview, international observer, Kathmandu, November 2011.

³⁰ Crisis Group interviews, donor representatives, EU, UK and UN, Kathmandu, February, June, August, September, November 2011.

³¹ See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

have avoided embarrassment if they had acknowledged this and worked to integrate the retirement cash and rehabilitation options, instead of focusing on the unacceptability of cash payments.

The generosity of the cash payments, particularly compared to “international standards”, is often pointed out, and they do indeed compare favourably with the savings of many Nepalis. “The money does give us a certain financial base, especially if both husband and wife take it”, a married combatant said. “But realistically, there is nothing in Nepal to invest in. It does not make financial sense to use it to improve my cucumber yield. And it is not enough to start something new”.³² Donors may yet find interest in the rehabilitation package in the months to come, after combatants have invested their cash or paid off debts. They and the politicians would then have to decide whether such fighters could still qualify.

Donors might also consider supporting special programs for fighters with disabilities. These combatants say that many among their numbers have serious, ongoing medical needs or require rehabilitation therapy. The cash being offered is insufficient. Many also cannot choose from the rehabilitation packages but could work in specially designed jobs. The special committee on integration and rehabilitation has promised to make arrangements,³³ and donors should consider funding these efforts. Women combatants have not organised in a coherent manner, but many with children may have special needs.

IV. CONSTITUTION DRAFTING

The most critical constitutional issue is how Nepal will be restructured into a federal state. This has actual and symbolic significance for many historically marginalised groups, which argue that federalism should recognise their identity, enable a more representative political class and bureaucracy and grant significant autonomy to the proposed provinces as the best way to end discrimination on the basis of ethnic, caste or regional identity. Some of these groups also argue for preferential political rights.³⁴

There is a proposal in the CA, although not all parties have signed on to it. Major decisions to be made include the basis of division and naming of states; the extent of autonomy they will have; relations between states; and

how demands for preferential rights based on ethnicity and quotas are to be addressed. There is an understanding that the most contentious issues will be decided at the highest political level. Individual CA members as well as members of Madhesi parties and the *janajati* (indigenous) caucus, which cuts across party lines are concerned that decisions on federalism made in this way will ignore the debates in the CA and be determined instead by the political manoeuvrings of senior leaders.³⁵

In the 1 November deal, the parties committed to forming an expert panel to work out the details of the federal system. This was to replace the state restructuring commission mentioned in the interim constitution. Madhesi parties had to overcome significant reluctance to sign on to the deal that stemmed from fear the panel would not reflect their demands adequately. Then, the *janajati* caucus argued that the panel would take the entire issue out of the CA, whereas the commission was at least a constitutional body. Caucus members defied party whips and voted down the constitutional amendment that was needed to form the panel.³⁶ This was a significant move, and indicates that historically marginalised communities and their representatives will not take kindly to any dilution of the federalism agenda.³⁷ Dalit CA members similarly lobbied successfully for the expansion of the commission to include a Dalit representative. “Federalism is the only peace process issue which truly touches all Nepalis”, a pro-federalism NC member said.³⁸

The commission, when it was subsequently formed, was described by a newspaper as a “big joke”.³⁹ Observers and some CA members noted that, instead of the prominent scholars, activists and negotiators they had expected, it resembled a gathering of enfeebled NGOs, with a couple of token academics added in. The concern for some in the CA now is that since decisions will clearly be made elsewhere, the commission will become a handy tool to stall proceedings.⁴⁰

Other issues also need formal agreement to be included in the draft constitution. The compromise on the form of

³² Crisis Group interview, PLA Seventh Division cantonment, Taalband, Kailali, 20 November 2011.

³³ See, “Special committee members address fighters’ concerns”, *The Kathmandu Post*, 24 November 2011.

³⁴ See Crisis Group Asia Report N°199, *Nepal: Identity Politics and Federalism*, 13 January 2011.

³⁵ Crisis Group interviews, CA members, Kathmandu, November, December 2011.

³⁶ “We in the indigenous caucus might not be able to get motions passed in the CA, but we are capable of blocking anything”, a senior Maoist *janajati* leader said. Crisis Group interview, Kathmandu, September 2011.

³⁷ For an excellent analysis of the significance of the caucus’s action, see Deepak Thapa, “Disengaged leadership”, *The Kathmandu Post*, 24 November 2011.

³⁸ Crisis Group interview, Kathmandu, November 2011.

³⁹ See “Disappointing”, editorial in *Republica*, 23 November 2011.

⁴⁰ Crisis Group interviews, NC and Madhesi party members, political scientist, Kathmandu, November, December 2011.

governance is widely expected to be a semi-presidential system, with a directly elected chief executive and a prime minister elected by parliament, although discussions on division of power between those two need refinement. On the electoral system, the meeting point is a combination of direct, single round election (first-past-the-post, FPTP) and proportional representation at the national, provincial and local levels, possibly with a majority of the seats to be decided by FPTP.

The issue of the judicial system has been settled for now but remains controversial in legal circles. A constitutional court has been proposed, as well as appointment of judges by an independent body that includes representatives from parliament. This is a considerable change from the original concept, primarily put forward by the Maoists, which would have limited the authority of the Supreme Court; provided that constitutional disputes would be settled by a parliamentary body; and would have made all judges political appointees. The legal community is a significant constituency for politicians to alienate, given the increasing appeals to the Supreme Court on the peace process and politically important issues such as extension of the CA and pardons for crimes committed by party members.⁴¹

V. A GOVERNMENT, BUT WHOSE

Baburam Bhattarai's election as prime minister in late August 2011 marked a real moment of optimism for many in Kathmandu, including non-Maoists. Bhattarai is reputed to be a clean, well-educated politician with a vision for the country.⁴² Although the government does not include

the NC, (which is the second largest party) or the UML, peace process negotiations between the Maoists and them intensified and eventually led to the 1 November breakthrough. Prachanda remains the primary negotiator between the Maoists and other parties, but Bhattarai, as prime minister is responsible for implementing decisions, such as directing the regrouping of combatants and the return of land seized by Maoists during the conflict.

This government faced challenges almost immediately. Differences re-surfaced within the Maoist party as soon as Bhattarai took over. The dogmatic faction led by Kiran has opposed or criticised every compromise Bhattarai and Prachanda have made on the peace process. The party was able to move on the combatants, without being actively stopped, but the faction could tap into deep sensitivities around landlessness in the mid- and far-western Tarai region. The Kiran faction invokes the CPA, which contains "parallel commitments" for the Maoists and the state: the Maoist fighters to be integrated and rehabilitated, but the Nepal Army to be democratised and "right-sized". The Maoists have often pledged to return captured land, but the CPA also calls for a commission on scientific land reform.

The Kiran faction also called the new coalition "anti-national", a coded accusation that Bhattarai and the Madhesi parties are too close to India and too wedded to federalism.⁴³ The agreement between the Maoists and Madhesi Morcha fed into this fear, by referring to a right to self-determination for the new federal states, a new Madhesi unit in the army and improving relations with both of Nepal's neighbours.⁴⁴ The apparent Indian support for the

⁴¹ In November 2011, the Supreme Court ruled that the CA could not be extended beyond one final six-month term if it failed to complete the constitution and that there would then have to be a referendum or fresh elections to a new CA. This strongly worded ruling drew sharp responses, with most parties noting that the life of the CA was a political, rather than constitutional matter. The Supreme Court issued two contradictory rulings in response to similar petitions challenging the legality of extensions of the CA's terms earlier. The cabinet's recommendation to the president that a Maoist party member convicted of murder be pardoned was also challenged in the Supreme Court, which issued a stay order.

⁴² The CA's mandate, due to expire at the end of August, was extended by a further three months with no wrangling. Bhattarai also immediately handed over the keys to the PLA weapons containers in the Maoist cantonments to the special committee; announced relief packages and austerity measures; directed district officials to oversee the return by the Maoist party of land and property it had seized during the conflict to its rightful owners; requested the NC to join the government; and said that anti-corruption and watchdog bodies would be strengthened. Bhattarai's trips to the UN, India and the South Asian Association for Regional Cooperation (SAARC) summit were also

largely successful. Yet, the current cabinet is also the largest and most expensive democratic Nepal has had. A Maoist minister, accused in a murder case, had to be withdrawn while another, also accused in a murder case, remains a state minister. There are allegations of widespread corruption against cabinet members, and even Bhattarai has alluded to the need to turn a blind eye to such things at the present moment. See "Don't know names of many ministers: PM", *The Kathmandu Post*, 15 November 2011.

⁴³ Suspicion from within the Maoist party of federalism seems paradoxical, given that this has been a core demand of the Maoist movement. But some leaders are still wary of ethnicity or identity taking precedence over class as a basis for decision-making.

⁴⁴ The Maoist-Morcha agreement contained numerous other clauses. On integration, decisions would be made by the special committee and there would be "unit-wise" integration of 7,000 combatants. The Maoist party indirectly committed to return seized property. The government was to provide relief to those "victimised by the state" during the war, the people's and Madhes movements and other movements of "communities with valid demands". A bill on inclusion in state institutions that Madhesi parties had criticised for not going far enough would be amended. Cases filed against activists or sympathisers dur-

coalition only reinforced the faction's suspicions and elicited comments about the "Sikkimisation" of Nepal.⁴⁵

Indeed, every ultra-nationalist constituency, including royalists and the right, the UML and the far left of the Maoist party, has denounced the government as anti-national. To these critics, changing the Nepali state and re-defining nationalism to acknowledge ethnic and other identity and address discrimination runs counter to their exclusivist views of national unity and identity. The aspersions cast on Madhesi parties and ministers for closeness to sections of the Indian establishment and on the demand for greater representation in the army take on ethnic overtones and suggest a barely veiled judgment that Madhesi populations are more "Indian" than "Nepali".⁴⁶ This school of na-

ing the war and these movements would be withdrawn. A commitment to form a unit of 10,000 Madhesis in the Nepal Army prompted further allegations of anti-nationalism. This is not a new demand, however. A Madhes agitation in February 2008 threatened the planned elections to the CA. The deal which brought Madhesi actors back into the process included a commitment to bringing Madhesis into the NA to make it more inclusive. It was also a critical issue in the May 2011 extension of the CA. See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit. The alliance also agreed to reverse an earlier government decision declaring that the hill costume of "daura suruwal" would be the national dress. The daura suruwal and Nepali cap are closely associated not only with hill culture, but also with the traditional state and bureaucracy, as it was for long the only acceptable official dress. For many Madhesis, therefore the outfit represents discrimination and enforced homogenisation.

⁴⁵ India certainly has often exercised a powerful hold over Nepal and its politics but shows no signs of actually wanting to colonise the country. The "Sikkimisation" reference is to the events that led to the referendum whereby the kingdom of Sikkim was merged into the Indian union in 1975. The issue is not whether Nepal will be annexed by India, but the complexity and depth of the anti-Indian component of traditional royalist and leftist, Nepali nationalism. The same actors can in one instance be vocal about "anti-national" or "pro-India" actions, and the next moment be courting New Delhi. For example, the Madhav Kumar Nepal-led government of mid-2009 to early 2011 was enthusiastically and openly supported by the Indian establishment. Its primary aim was to keep the Maoists out, and it did the most to polarise politics in recent years. Yet, many supporters of its government criticise the present coalition for apparently having the approval of important actors in New Delhi.

⁴⁶ For example, soon after the current government was formed, it appeared as if a Madhesi might be appointed defence minister. This did not happen, but *People's Review*, an ultra-nationalist but pro-China weekly, ran a front-page "satirical" piece entitled, "A 'dhoti' in Army HQ?!" The article was ostensibly about the scrapping of the hill daura suruwal costume as Nepal's official dress and how the army, where daura suruwal is expected, would react to a Madhesi minister wearing a Madhesi dhoti at official functions. "Dhoti" is also a derogatory term for people of Madhesi origin. The resistance to making the NA more in-

tionism has traditionally regarded India as covetous of Nepali territory and now sees federalism as a precursor to the disintegration of the country, even though historically marginalised groups want to be more, not less integrated with the Nepali state.⁴⁷

Madhesi Morcha members tended until recently to side with the NC or UML. Their unexpected switch to the Maoists compounded the negative reaction to the ruling coalition, which was also labelled "unnatural", because the Maoists and the Madhesi political class have clashed in the past. The Madhesi leadership largely comprises former members of older parties, including the NC and the royalists. It also, broadly speaking, represents the elite of the Tarai and during the war, was part of a larger social group – land-owning, upper caste – that came into confrontation with the Maoists. But those categories are changing, and leadership of the Madhesi parties and movement is an evolving one in terms of class and caste.⁴⁸

Madhesi parties see themselves as responding to their constituencies' demand for greater inclusion and state restructuring. Both of these are also integral to the Maoist agenda. On these issues, the Morcha and Maoists have more in common than other actors in Nepali politics.⁴⁹ This, as much as the supposed unnaturalness or pro-Indian nature of the coalition, is a source for resentment of the present government. A lasting Maoist-Madhesi alliance would inevitably erode the ability of other parties to form majority governments, even as they face further electoral challenges.

clusive has come from a variety of quarters. One newspaper report said that Madhesi ministers did not know how many people of Madhesi origin were in the army. They said it was under 900, while the NA counted over 6,500. "Madhesi leaders don't know Madhesi strength in Army", *Republica*, 3 October 2011. It was accompanied by an editorial citing this ignorance as proof that Madhesi ministers were not serious about inclusion and only using it as a political tool and that the NA was inclusive enough. "Reality vs perception", *Republica*, 3 October 2011. The NA is 95,000 strong, and by the army's count, Madhesis constitute about 7 per cent of its personnel – far from the 40 per cent they make up of the population. A civil society activist also noted that the NA figure was misleading, as it included many Madhesi sweepers and kitchen staff. Crisis Group interview, October 2011. Other media coverage following the Maoist-Madhesi agreement challenged the idea that Madhesis want federalism at all, despite considerable evidence to the contrary. See Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit.

⁴⁷ For an excellent analysis of these arguments and positions, see Prashant Jha, "The conservative assault", *The Kathmandu Post*, 15 September 2011 and Deepak Thapa, "The enigma of identity", *The Kathmandu Post*, 22 June 2011.

⁴⁸ Crisis Group interview, Madhesi party members, Kathmandu, September, October 2011.

⁴⁹ Crisis Group interviews, Madhesi, Maoist party members, Kathmandu, September, October, 2011.

While most traditional parties have been deeply ambivalent about inclusion and federalism, the rise of the Madhesi parties has particularly affected the NC, whose historical electoral base in the Tarai is now much diminished.⁵⁰

VI. NO PARTY FOR THE BIG PARTIES

A. THE MAOISTS

The faction of Kiran, Ram Bahadur Thapa “Badal” and some other senior leaders of the Unified Communist Party of Nepal – Maoist (UCPN-M) has protested a number of decisions made by the “establishment” wing of the party.⁵¹ Yet, its objections are not categorical rejections of peace process commitments. They are instead about the extent to which the Maoists’ own demands have been given up and the way in which this faction’s concerns were dismissed during decision-making.⁵²

Some of the discontent stems from Bhattarai renegeing on his end of the so-called “Dhobighat agreement” that was reached in July, when Baidya, Bhattarai and Narayan Kaji Shrestha (now foreign minister) came together to challenge Prachanda’s tight control over the party and tendency to take decisions by himself. Their combined pressure forced him to relinquish some of his authority over the organisation to Baidya and over the PLA to Badal, though so far this appears to have been a more notional than actual transfer of power.⁵³ The party also agreed to work towards a consensus government and, for the first time, put Bhattarai forward as its prime minister candidate. In some ways, Prachanda had no choice; he himself was unacceptable to many non-Maoists. But even with Bhattarai as prime minister, it would be Prachanda who led the peace process. The Dhobighat alliance was never a long-term prospect: Baidya and Bhattarai disagree on most issues and mistrust each other. But Baidya, Badal and other dissenting leaders probably expected more benefit than they received for endorsing Bhattarai.

At present, they sound like spoilers, clamouring mostly for a role for themselves.⁵⁴ Personal calculations and factional power plays are part of the equation, but deeper questions are also at stake. The Maoist party faces its most difficult challenge since its deal with the traditional parliamentary parties in November 2005, and arguably since the start of the war in 1996. It is a cliché that all the Maoist leaders share the same goals, and Prachanda and Bhattarai are simply playing a longer, more staged game than Baidya would like. But a more fundamental question is at stake. Having waged a war, ousted the king and entered parliamentary politics, the party must decide how much of its agenda of federalism, recognition of ethnic identities and reform of the Nepal Army it is willing to dilute.⁵⁵ These issues are about where the Maoist party is going, but more broadly about the Maoists’ self-image as a movement and not just a political formation.

There is some speculation of a split in the party. While this is possible down the road, several factors work against it now. There are few indications that a section of the PLA and its affiliated political leadership are willing to go underground to resume the people’s war. Further, although there is a possibility of splitting decision-making bodies of the party – the standing committee, politburo, central committee, governing bodies of the various unions, regional fronts, etc. – it would be very difficult to split the party’s broad organisation and support base.⁵⁶ These are the elements the party mobilises with success at critical moments, such as the May 2010 national shutdown. The further down in the ranks one probes, the more cadres say they want unity, rather than disagreement among their leaders, especially on fundamental issues. Discontent with the PLA regrouping process and the integration and retirement follow-on could change this, but at this time that does not look likely. Combatants largely seem resigned, even if resentful and concerned about their futures.

It is unclear what will satisfy the Baidya faction. In the present context, its maximum gains would seem to be a better deal on integration, a constitution that contains some elements of the Maoist agenda, such as commitments to land reform and federalism, accommodation in the government and an expansion of party responsibilities. The faction still exerts some hold on critical sections of the

⁵⁰ Crisis Group interview, researcher, Kathmandu, October 2011.

⁵¹ This is a diverse faction, driven by varied interests. For more, see Crisis Group Briefing, *Nepal’s Fitful Peace Process*, and Crisis Group Report, *Nepal: From Two Armies to One*, both op. cit.

⁵² There are many media reports on the Maoist party’s troubles. For a detailed explanation of Kiran’s position, see an interview by Post Bahadur Basnet, “An end to violence ... through the use of violence”, *Himal South Asian*, October 2011.

⁵³ See Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

⁵⁴ See Crisis Group Briefing, *Nepal’s Fitful Peace Process*, op. cit.

⁵⁵ For a sharp analysis see Aditya Adhikari, “All of us cannot be right”, *The Kathmandu Post*, 9 November 2011. For background, see Crisis Group Report, *Nepal’s Peace Agreement: Making it Work*, op. cit., and Crisis Group Asia Report N°132, *Nepal’s Maoists; Purists or Pragmatists*, 18 May 2007.

⁵⁶ This paragraph is based on Crisis Group interviews, researcher, local journalist, Maoist party activists, PLA member, Kathmandu, August, October, November 2011, and via telephone Chitwan and Surkhet, October 2011.

party and army and can make it more difficult for Prachanda and Bhattarai to implement major multi-party compromises. But to do any of this, it must either join this government or destabilise it in the hope of having a greater influence in the next government. Simply opting out does not seem feasible. Prachanda, who is firmly with Bhattarai now, will need to bring them on board to move ahead on the process, but also to diminish the personal challenge Bhattarai's success poses to him. More switches of allegiance across factions can be expected before the leaders exhaust their options and are faced with a possibly more serious prospect of a split.

B. NEPALI CONGRESS

The NC has been dealing with two problems, which feed off each other. In negotiating the 1 November agreement to move the formal peace process forward, the leadership made a distinct switch from the obstructing, stalling and backtracking of recent years. The promise it informally received that it would lead the government in the period between adoption of the new constitution and general elections enabled this change. But the NC's other problem is its shattered unity. There will be many claimants within the party for a piece of that government and who will be willing to spoil the deal if they do not benefit from it. In the most straight-forward reading, the factions led by President Sushil Koirala and former Prime Minister Sher Bahadur Deuba⁵⁷ compete for control of the NC. They disagree on who should represent the party in national politics and, to a lesser degree, on how the party should engage with the peace process.⁵⁸

Membership of the factions is not static, and even the staunchest supporters of Koirala and Deuba criticise their respective leaders. The most striking complaint, heard with increasing frequency, comes from the almost-but-not-quite top figures, the "second generation". They say that the top leaders monopolise all political opportunities and care nothing about the future of anyone below them.⁵⁹ This is the nature of political careers in the NC, where party elections were never the way to advance. Until Girija Prasad Koirala's death in 2010, decisions and individual influ-

ence depended almost entirely on the ability to cultivate and nourish patronage networks. Now, in the post-GP Koirala NC, there is no clear hierarchy that can control these networks. The senior leaders are similar in age, political experience and history. In the absence of true seniority, there are multiple contenders for all positions and an unease with internal elections. There are also fewer resources to control, as the NC miscalculated the cost to itself of focusing on slowing down the peace process, rather than rebuilding the party organisation.

How far President Sushil Koirala is willing to take his leadership is an increasingly critical question. He had not, until recently, displayed any interest in high political office, apparently being content with his party position. But the last eighteen months have shown that if he is to consolidate his party position and manage Deuba and other challengers, he needs to be able to offer more to his supporters in terms of party and government positions and appear more decisive. He attempted to exert authority and expand his influence by dissolving the elected central committees of the NC's sister organisations, which are dominated by Deuba's faction, but that did not go down well.⁶⁰ He appears now to have chosen a longer-term strategy, namely to seek a greater role outside the party, for instance as prime minister of an NC-led government. This could help mobilise resources, prepare for the next general election and boost the party's sagging morale.⁶¹ If so, personal ambition may have helped break the party away from its sclerotic approach to the peace process. Its internal dynamics could slow, but not derail the process.

⁵⁷ Deuba precipitated a vertical split in the party in 2002 and formed the Nepali Congress-Democratic (NC-D). The NC-D re-united with the parent party in 2007. Deuba himself has been prime minister three times, in 1995-1997, 2001-2002 and 2004-2005; he was dismissed by King Gyanendra in his second term, re-appointed by the king and again dismissed in the third.

⁵⁸ For details of some of the fault lines within the NC, see Crisis Group Briefing, *Nepal's Fitful Peace Process*, op. cit.

⁵⁹ Most "second-generation" leaders are already in their mid-50s. This paragraph is based on Crisis Group interviews, prominent second-tier and younger NC leaders, Kathmandu, July-October, 2011.

⁶⁰ In September 2011, Koirala ordered the dissolution of the central committees of the NC's youth wing, women's wing, indigenous people's wing and a dormant "military" wing. He did this despite strong opposition from Deuba, who argued that the committees should stay in place until fresh elections were held. This was followed by high drama, as Deuba's faction went on a hunger strike, and Deuba himself resigned. Koirala has not accepted his resignation and Deuba has taken no further steps.

⁶¹ Prachanda's reported offer to Koirala to be prime minister of the transitional government to conduct the next election speaks to Koirala's need to be seen as a national and not only NC leader and dispense patronage. It also fits well with the NC's need to contest the next election armed with all the benefits that accrue from being in government and controlling the state. Koirala as prime minister will not be an easy sell to the entire party. But for the NC's second generation, which sees its political fortunes dwindling, it is increasingly irrelevant whether Deuba or Koirala holds that position – as long as whoever it is accommodates them. Crisis Group interviews, Kathmandu, August, September 2011.

C. MADHESI PARTIES

The Madhesi Morcha has re-established its relevance as a united and fairly independent force in national politics despite the fragmentation of its member parties.⁶² The front received a boost in May 2011, when the other major Madhesi force, the Madhesi Janadhikar Forum (Nepal), MJF-N, led by Upendra Yadav, went through another split, and Jaya Prakash Gupta took twelve CA members along to form the Madhesi Janadhikar Forum (Ganatantrik), MJF-G.⁶³ The new party joined the Morcha, which finally gave the alliance the numbers to constitute a CA majority in alliance with either the Maoists, or the NC and UML. Their role in forming Bhattarai's government strengthened them further. It was a considered reminder to the NC that the Morcha was not to be taken for granted and treated like a junior partner. It was also perhaps a cautionary note to the Maoists to share well, if they wanted the government to last.⁶⁴ The twelve ministerial portfolios allocated to Morcha leaders are some of the most coveted, including home and physical planning, as well as the curiously powerless but increasingly visible defence.

Beyond gains for leaders themselves, the unity displayed by the Morcha parties since May has also reassured their constituencies in the Tarai that ordinary people's concerns and the demands of the 2007 Madhes movement remain on the table.⁶⁵ The challenge is to maintain this unity. The

structure of Madhesi parties and the ways in which they operate put little premium on organisational unity.⁶⁶ Like the other major parties, the members of the Madhesi Morcha must also handle multiple tensions within and between the parties and their leaders. This was highlighted by the fraught exercise of dividing up the government ministries.

There are strong incentives to maintain a joint bargaining front on the peace process and power-sharing until elections and in the face of the continued questioning of Madhesi leaders' nationalist credentials and probity.⁶⁷ The alliance now is with the Maoists, but the Madhesi parties also know that, fundamentally, their ability to stick together will gain them more than any specific alliance with other parties. "We join a non-Maoist government, we get called dirty [anti-national and corrupt]. We join a Maoist government, we get called dirty. If we stay out of government, no doubt we will again be called dirty", a senior Madhesi leader said. "Yet none of the other parties are tarnished by their association with us. So we will just keep doing what we do".⁶⁸ The Madhesi parties will play a major role in the federalism discussions and will continue to bring up both the matter of recruitment into the Nepal Army and the still not introduced bill on inclusion.

D. UML

The faction of the UML led by Jhala Nath Khanal and that had until recently been consistently for engagement with the Maoists has lost any edge it once had over the more conservative anti-Maoist elements of the party led by KP Sharma Oli and former Prime Minister Madhav Kumar Nepal.⁶⁹ This is partly the result of the Maoists' willingness to allow Khanal to fall from the post of prime minister. But future direction, rather than factional dynamics, is the real problem in the UML, which consecutively

⁶² For more on this, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

⁶³ At the same time, another significant Madhesi political figure, Mahendra Yadav of the Tarai Madhes Loktantrik Party (Nepal) (TMLP-N) also split but, like its parent party, remained a member of the Morcha. The original MJF had emerged as a powerful force ahead of the 2007 Madhes Andolan, making greater inclusion a new pillar of the peace process and becoming the fourth largest party after the 2008 CA election. But the closeness of its leader, Upendra Yadav, to the Maoists was not appreciated by many of his colleagues, including Bijay Gachhadar, who split in mid-2009 to support the Madhav Nepal-led government after Prachanda resigned. Gachhadar formed the Madhesi Janadhikar Forum (Loktantrik), or MJF(L). The original "Forum", as it is popularly called, now has only twelve of its original 54 CA members, is called MJF (Nepal) and is not part of the Madhesi Morcha.

⁶⁴ Crisis Group interviews, Madhesi party leader, Kathmandu, October, 2011.

⁶⁵ The uprising in the Tarai changed the nature of the peace process and brought greater inclusion to centre stage. Until early 2007, the process had been first about Maoists and parliamentary parties ousting the king and then about the Maoists and traditional parties seeking an uneasy accommodation with each other. After the Madhes Andolan, or Madhes Movement, the Tarai became a significant and distinct factor in politics, and inclusion and federalism became as central to the peace process as integration of the PLA. Many senior Madhesi members of

the NC, in particular, split from the party to form or join new Madhes-based parties.

⁶⁶ For an excellent overview over the last three major splits and their underlying causes, see Prashant Jha, "The great Madhesi mushrooming", *The Kathmandu Post*, 20 July 2011.

⁶⁷ Another criticism of Madhesi parties has been that they are deeply corrupt and participate in government merely to loot the state. Yet, all other parties' stints in government have been marked by corruption scandals and credible allegations of nepotism, and some members of traditional parties also benefit from their association with NGOs which might receive funds from donors. Most parties at the local level benefit from tenders for development projects. Alleged corruption, direct or indirect, comes in many forms and occurs at many levels. It is difficult to judge accurately how much better or worse any one party is. See Crisis Group Asia Report N°194, *Nepal's Political Rites of Passage*, 29 September 2010.

⁶⁸ Crisis Group interview, Kathmandu, December 2011.

⁶⁹ For more on the UML's factional dynamics, see Crisis Group Briefing, *Nepal's Fitful Peace Process*, op. cit.

headed anti-Maoist and Maoist-backed governments. The current government is the first in five years the UML has not been a part of, but that is not entirely the result of either judgment or ideology. For the first time, both factions happen to be on the same side of the right-left divide in the party. Khanal's shift comes out of pique with the Maoists. Oli's credibility in mainstream Kathmandu politics is in decline, although he remains a potentially significant figure, while Nepal takes a wavering middle position.⁷⁰ Unlike the NC, which is already working to improve its chances in the next election and has held some public rallies during the year, the UML has not yet begun to improve its organisational strength or activities.

E. CONSERVATIVE REVIVAL

There is a renewed sense of urgency and opportunity among the conservative traditional political parties, as constitution writing gains momentum, and the May 2012 deadline starts to look unmovable. The three major conservative parties, Rastriya Prajatantra Party (RPP), Rastriya Janashakti Party (RJP) and Rastriya Prajatantra Party (Nepal), RPP(N), are attempting to unite, hoping to regain political relevance.⁷¹ All three call for a referendum on federalism and secularism. The RPP-N has been holding out for a return to constitutional monarchy but is likely to change its stance after the new constitution is adopted. There is some popular demand for a conservative agenda minus the king. Many view recent constitutional changes as an attack on their traditional vision of Nepali national identity, and a portion of the population is critical of secularism and identity-based federalism.⁷² However, just as the Maoists

have had to compromise on significant parts of their agenda, conservative parties will also have to compromise, for example by signing on to some sort of federalism.

VII. NON-PARTY ACTORS

A range of activist groups exists on the pro- and anti-federalism ends of the political spectrum. Some are more militant than others and have occasionally resorted to violence.

On the right wing, the landscape includes Hindu revival groups as well as upper caste Brahmin and Chhetri groups and networks who are against federalism. These agendas sometimes overlap. All say they are building organisational strength and waiting for concrete constitutional decisions around which to mobilise.⁷³ Hindutva groups opposed to secularism, such as the Vishwa Hindu Mahasangh and Shiv Sena Nepal, adopt a similar wait and see approach but also raise the issue of Christian proselytising.⁷⁴ There are few indications of active expansion or the growth of more militant activism. A number of right-wing underground groups proclaim they are ready to use violence. Their capacity to do so is unclear but at this point appears to be limited to isolated terrorist attacks.⁷⁵ The significance of

impedes the "secularisation" of Nepali society, see Dipak Gyawali, "Nepali secularism and its discontents", *Spotlight*, 9-22 December 2011.

⁷³ The most prominent Chhetri organisations are the Chhetri Samaj Nepal (CSN), the Khas Chhetri Ekata Samaj Adivasi/Janajati (KCES) and the Khas Chhetri Samaj Rashtriya Mahasangh. The Mahasangh's agenda centres on the perceived threat to Chhetri identity and, by correlation, Nepali nationalism. The CSN and KCES's priority is to have Khas Chhetris classified as indigenous; the CSN pressured the government to establish a taskforce in August 2011 to study this claim. "Karyadal gho-shana, mahasanghko vevastha", *Punarjagaran*, 2 August 2011. The CSN and the KCES, both more moderate than the Mahasangh, oppose ethnic federalism while the Mahasangh also demands a restoration of the Hindu state. The Mahasangh has forged a strategic alliance with the Brahmin Samaj. "Chhetris, Brahmins demand indigenous status", *The Himalayan Times* online, 15 November 2011. For previous Crisis Group reporting on Chhetri groups, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit.

⁷⁴ Crisis Group interview, Hindutva activists, Banke, May 2011. Crisis Group interview, Kathmandu, November 2011.

⁷⁵ The explosion of a small bomb in front of the Kathmandu office of the United Mission to Nepal (UMN), a Christian development organisation, in November 2011 was accompanied by pamphlets of the Nepal Defence Army. "Bomb goes off in front of UMN office", *The Kathmandu Post*, 23 November 2011. The NDA was responsible for bomb attacks on mosques and churches in 2008 and 2009, one of which killed three people. The group had been inactive since the arrest of its leader R.P. Mainali, and it is unclear whether the recent explosion points at a possible resurgence. Most other militant right wing

⁷⁰ Nepal is no longer as virulently anti-Maoist as he was while in government, for example. Oli was sometimes suggested in early 2011 as the president's prime minister, if there were to be a state of emergency. Few mainstream democratic politicians in the NC, for example, would have been comfortable taking that post, even if they thought president's rule was the only way to cut the Maoists down to size.

⁷¹ "Talks to unify RPP, RJP, RPP(N) inconclusive", *Republica*, 17 November 2011. For previous Crisis Group reporting on conservative parties, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit. The RPP has eight seats in the CA, the RJP three and the RPP(N) four. The RJP and RPP(N) split off from the RPP in 2005 and 2008.

⁷² Opinion polls are of necessity limited, and there can be various approaches to framing questions, but, for example, in a survey conducted by Himalmedia in 2010, 36.3 per cent of respondents were opposed to federalism and only 27.2 per cent were in favour. In the same survey, 52.2 per cent of the respondents wanted Nepal restored to a Hindu state. "Rashtriya sarvekshan-2067", *Himal Khabarpatrika*, 29 April-14 May 2010. In the Himalmedia survey of 2011, 76 per cent of respondents opposed identity-based federalism. "Himal janamat 2068: Sanghiyata ra shasanpranali", *Himal Khabarpatrika*, 15-29 May 2011. For an argument that says "secularism" as an ideology

these conservative networks will only become clear once the constitutional debate reaches a decisive phase, but violent attacks by small, isolated fringe groups remain a risk.

Some indigenous groups, particularly in the eastern hills espouse a maximalist, ethnic-based federalism agenda.⁷⁶ The larger and more publicly organised groups include the Federal Limbuwan State Councils, one led by Kumar Lingden, the other led by Sanjuhang Palungwa, and Khambuwan Rastriya Morcha (KRM). Leaders now say they are confident the new federal structure will recognise identity but warn they will “burn the new constitution in the streets if it is not”.⁷⁷ These groups have sometimes called for preferential political and other rights for indigenous communities in their homelands. But this demand has less and less traction in negotiations in Kathmandu, as the mainstream parties attempt to balance the multi-ethnic composition of most of the proposed new provinces with the demand for broader representation.

Affirmative action and quotas, instead of exclusionary preferential rights, are one possible outcome, but this is yet to be negotiated. The ability of these groups to mobilise is significant, despite their fractured organisational landscape. For the mainstream Limbuwan groups, at least, mobilisation is more likely to take the form of protests than targeted violent attacks.⁷⁸

VIII. OTHER PEACE PROCESS COMMITMENTS

There is no clarity on how critical commitments, including democratisation of the Nepal Army,⁷⁹ land reform and

groups have shown little signs of activity beyond issuing pamphlets. For previous reporting, see Crisis Group Asia Report N°194, *Nepal's Political Rites of Passage*, 29 September 2010.

⁷⁶ For an overview of Limbuwan and Khambuwan groups, see Crisis Group Report, *Nepal: Identity Politics and Federalism*, op. cit.

⁷⁷ Crisis Group interview, senior leader, Federal Limbuwan State Council (Palungwa), FLSC(P), November 2011. Crisis Group interviews, Kathmandu, Jhapa, June, July, November 2011. Both FLSCs demand a federal Limbuwan state composed of nine eastern districts. The KRM demands a Khambuwan state of ethnic Kiranti communities, including Rai, Limbu, Yakkha and others. See *ibid*.

⁷⁸ Smaller radical groups are capable of isolated violent attacks. For example, the fringe Khambuwan Samyukta Jatiya Morcha claimed responsibility for an explosion in the eastern Tarai town of Itahari that injured five people. “Police, four others injured in blast”, *myrepublica.com*, 3 December 2011.

⁷⁹ If anything, the independence of the NA is being reinforced. The democratisation clause left out of the 1 November agreement; the original integration plan came from NA headquarters; and some top brass were consulted during the Maoist-NC nego-

formation of the commissions on enforced disappearance and truth and reconciliation will be met. This last is most significant now.

The Bhattarai government has made a number of controversial moves on the question of impunity. The Maoist-Morcha agreement includes a clause to withdraw court cases related to political protests and movements based on “justifiable grievances”.⁸⁰ This met with widespread criticism in Kathmandu. Then, for the first time, a minister accused of murder was forced to resign,⁸¹ while a second has been accused in a murder case human rights activists consider “emblematic”.⁸² Finally, the cabinet recommended to President Ram Baran Yadav that he pardon a Maoist party member sentenced to life in prison for murder; the Supreme Court barred the move.⁸³ A remark

tiations. The army, which after integration could be more than 100,000-strong, is also proposing for itself a significant restructuring to increase the number of mid- and higher-ranking officers. Its budget grows annually, although no weapons have been procured since 2006. The new directorate that will accommodate the integrated Maoist combatants will be paid for by a separate budget, not that of the defence ministry. For proposed actions that could start the democratisation and down-sizing process, including appointment of a national security body to negotiate the basic tenets of Nepal’s security policy and the offer of voluntary retirement to reduce bloat in the institution, see Crisis Group Report, *Nepal: From Two Armies to One*, op. cit.

⁸⁰ For the views of an NC member and a Maoist lawyer, see “Experts poles apart on conflict-era cases”, *The Kathmandu Post*, 21 September 2011.

⁸¹ Maoist Minister Prabhu Sah was withdrawn from the cabinet under pressure from the opposition when a murder charge was filed against him in Birgunj for his alleged involvement in the killing of a Hindu activist in 2010. “In the eye of the storm: Sah quits...”, *The Kathmandu Post*, 17 October 2011. Under the previous government, a central-level Maoist leader, Agni Sapkota, also accused in an emblematic human rights case that includes torture and murder, was appointed as minister. He resigned, though as part of a broader cabinet reshuffle. “Mahara, Sapkota call it quits”, *The Kathmandu Post*, 27 July 2011.

⁸² Suryaman Dong, an accused in the same case as Sapkota, is a state minister in the current government. “Dong’s appointment as minister raises hackles”, *The Kathmandu Post*, 7 November 2011.

⁸³ “Dhungel pardon plea: To pardon or not to pardon, Prez ponders”, *The Kathmandu Post*, 13 November 2011. In blocking the pardon, the Supreme Court said that a petition demanding execution of its verdict sentencing Dhungel to life imprisonment was sub judice, that the government’s move could impinge on judicial processes in the future, and that the government was undermining a court ruling. Bhattarai is undoubtedly under pressure to assure cadres that they will not be subject to criminal prosecution for war-time actions. Some of the accused, such as Sapkota and Sah, are major organisers in the party. There are also hundreds of cases against Bhattarai, Prachanda and other senior Maoist leaders. Many are of dubious legal merit, but there is a pervasive fear in the party that leaders will be dragged to

by the newly-appointed attorney general saying categorically that all politically-motivated cases would be withdrawn reinforced the impression that within the political elite there is an almost wilful disregard for principles of justice.⁸⁴ “All political parties have become like agencies granting licences to commit crimes”, said a leading human rights lawyer.⁸⁵ The government’s moves come alongside a re-commitment of the parties in the 1 November agreement to a Truth and Reconciliation Commission (TRC) and a disappearances commission. These would in theory determine standards and procedures for handling a variety of questions. There is not yet consensus on what marks a crime as politically motivated and who is to judge that. There is also no agreement on whether allegations or cases will simply be dropped or will be investigated, with pardons then to be recommended for at least some perpetrators. New rules will have to be devised for cases involving NA personnel, most of whom have hitherto been subject only to military justice, which in effect has amounted to total impunity. Victims and their families are in some places still unable even to file a basic report at the local police station due to political pressure.⁸⁶

Although the opposition will use the recent actions as a stick to beat the government, the issue is not being pursued out of conviction or adherence to the ideal of democratic justice. No parties or leaders are keen to have their own war-time responsibilities and actions – or in some instances present connections with criminal networks – scrutinised. Every government and virtually every significant actor during the conflict and after has shielded an alleged law breaker at some point, used violence against political opponents, withdrawn cases after having unilaterally declared them politically motivated or pressured the criminal justice system to prevent victims from pursuing cases.⁸⁷

the International Criminal Court. Crisis Group interviews, national human rights activists, international observers, Maoist party member, Kathmandu, October, November, December 2011.⁸⁴ “AG discloses plan to retract cases”, *Republica*, 15 September 2011.

⁸⁵ The lawyer also noted that parties tried to similarly recommend withdrawal of cases or pardons in instances where there was not a clear political component. Crisis Group interview, Kathmandu, September 2011.

⁸⁶ Crisis Group interview, national human rights activist, Kathmandu, October 2011.

⁸⁷ The instances are legion. The UML, then the ruling party, was widely seen as protecting Parshuram Basnet, accused of violently attacking a journalist in June 2011. Basnet is a central figure in the party’s Youth Force. “Parshuram Basnet in city”, *The Himalayan Times*, 19 July 2011. Days before the 2008 CA election, seven Maoist workers were killed in Dang, allegedly unprovoked, by Armed Police Force personnel accompanying former Home Minister and NC leader Khum Bahadur Khadka.

Maoist leaders quote the CPA, which allows for withdrawal of politically-motivated cases, and the interim constitution, which allows pardons. The other political parties focus on individual actions instead of facing up to the more difficult issue of how justice and reparations for abuses during the war are to be implemented. The Nepal Army, for its part, is lobbying for cases against its personnel to be dropped or terminated by pardons, and the government appears to be happy to extend the favour.⁸⁸

The national and international human rights communities focus on prosecutions for emblematic cases, which fulfils the critical need to show that justice is possible, and impunity can be challenged. This does not always dovetail entirely with the priorities of victims, particularly the many whose cases are not emblematic. Their concerns often focus more on reparations and on wanting to know what happened to disappeared kin, for example.⁸⁹ These concerns need not be mutually exclusive, and the challenge facing the proposed TRC will be to balance various preferred outcomes.

Ad hoc pardons and withdrawal of cases are unhelpful in this context and in some cases illegal. These cannot be unilateral decisions, and the TRC should not be a tool for the political elite to simply sweep war-time abuses under the carpet in the name of reconciliation. There must be consultation between all political parties, the human rights community and victims about the principles underlying categorisation of cases as politically motivated and how best to address the parallel priorities of tackling impunity,

“Five Maoists killed in police firing”, hamropalo.com, 8 April 2008. GP Koirala’s government in 2007 appointed Rookmangad Katawal as chief of army staff, although he was recommended for prosecution by the Rayamajhi Commission investigating abuses by the then-Royal Nepal Army during the 2006 Jana Andolan (People’s Movement). Damakant Jayshi, “Let Katawal, Khadka retire on time”, myrepublica.com, 16 June 2009. Governments, including one led by GP Koirala after the 1990 People’s Movement also withdrew a number of cases, deeming them politically motivated. South Asia Forum for Human Rights, “Impunity in Nepal”, safhr.org. There are multiple accounts from human rights activists of the challenges facing families even now, who wish to file cases concerning war-time abuses including torture and murder.

⁸⁸ Crisis Group interview, journalist, December 2011. Prime Minister Bhattarai has said, defending the Dhungel pardon, that similarly there would be no prosecutions of Nepal Army personnel found responsible in the emblematic Bhairabnath case, which involves torture and the enforced disappearance of 49 suspected Maoists from the Bhairabnath Battalion in Kathmandu in 2003. Interview with Bhusan Dahal, “Fireside”, Kantipur TV, 15 November 2011.

⁸⁹ See, for example, Simon Robins, “Transitional justice as an elite discourse: Human rights practice between the global and the local in post-conflict Nepal”, *Critical Asian Studies* (forthcoming).

ensuring stability and effectively addressing legitimate calls for compensation.

There has been little talk of reconciliation so far. All concerned persons in Kathmandu, whether political party members or human rights defenders, will have to make difficult choices. If their conclusion is that the most achievable goal now is a handful of convictions on both sides, while other cases are put away for the time being, then that is what will happen. But this would not necessarily be what victims want. Nor would it send a strong message that the parties have truly tried to reconcile the different political outlooks and tactics of the war or that the criminal justice system can be reformed.

IX. CONCLUSION

Despite naysayers and sceptics, the peace process is finally moving forward in substantial ways and remains relevant and essential. Much of the slowdown had its roots in resentment and missed opportunities. The NC felt betrayed by the shifts on the Maoists of both New Delhi and the Madhesi parties, two constituencies it had perhaps taken for granted. Yet, it is now looking forward. Large sections of the UML feel similarly. A serious dynamic of resentment and betrayal is also still at play inside the Maoist party. The recent realignments hold difficult but salutary reminders for all actors engaged in Nepal, namely that there are no permanent friends or enemies in politics and that in a democratic dispensation of coalition politics, such as Nepal now has, fault lines shift, and polarisation between individuals and parties is not static.

The peace process commitments made by the parties are already, in some cases deeply, compromised. But stripping the process down to its bare bones – some sort of integration, a cobbled-together constitution and no institutional reform – would not help build a lasting peace. As the parties negotiate federalism, in particular, they must remember that settling matters between Kathmandu's political elite is insufficient. The idea of federalism and recognition of identity has taken on a life of its own and is the single most important issue for many ordinary citizens. Outside the capital, identity-based groups have been mobilising for some time. The social polarisation can easily be sharpened. Both in and beyond Kathmandu political leaders and civil society of all hues need to resist the easy lure of hard lines and exclusivist nationalism. This will be difficult, as traditional arrangements of power are disturbed and doors close on options, but it is essential. Politicians must be alert to the dangers of abandoning the promises they made to the Nepali people of a deep transformation of the state.

Kathmandu/Brussels, 13 December 2011

APPENDIX A

MAP OF NEPAL



Map No. 4304 UNITED NATIONS
 January 2007 (Colour)

Department of Peacekeeping Operations
 Cartographic Section

APPENDIX B

GLOSSARY

- CA**
Constituent Assembly – unicameral body tasked with drafting a new constitution, also serves as legislature-parliament.
- CPA**
Comprehensive Peace Agreement – November 2006 agreement officially ending the decade-long war, signed between the government of Nepal and the Maoists, then called the Communist Party of Nepal-Maoist. The Maoists are now officially called the Unified Communist Party of Nepal-Maoist.
- CSN**
Chhetri Samaj Nepal – organisation of upper caste Chhetris founded in Pokhara in 1996, its main agenda is recognition of Khas Chhetris as an indigenous group.
- FLSC(P)**
Federal Limbuwan State Council (Palungwa) – grassroots mobilisation group in eastern Nepal that demands a “Limbuwan” autonomous state based on territory historically significant to the Limbu ethnic group. FLSC(P), led by Sanjuhang Palungwa, was originally the FLSC.
- FLSC(L)**
Federal Limbuwan State Council (Lingden) – grassroots mobilisation group in eastern Nepal that demands a “Limbuwan” autonomous state based on territory historically significant to the Limbu ethnic group. FLSC(L), led by Kumar Lingden, split from the FLSC in 2008.
- FPTP**
First Past the Post – an electoral system in which the candidate with the most votes in a constituency, not necessarily a majority, wins.
- KRM**
Khambuwan Rastriya Morcha – grassroots mobilisation group representing Kiranti communities, particularly Rai, which demands an autonomous state in the proposed federal system.
- MJF(G)**
Madhesi Janadhikar Forum (Ganatantrik) – party formed by Jaya Prakash Gupta when he and other members split from the MJF(N) in May 2011.
- MJF(L)**
Madhesi Janadhikar Forum (Loktantrik) – party formed by Bijaya Gacchardar when he and other members split from the MJF in 2009.
- MJF(N)**
Madhesi Janadhikar Forum (Nepal) – MJF faction under the leadership of original chairman, Upendra Yadav.
- Morcha**
Samyukta Loktantrik Madhesi Morcha – alliance of five Madhesi parties, MJF(L), MJF(G), Tarai Madhes Loktantrik Party (TMLP), TMLP(N) and Sadbhavana Party. Its primary agenda is federalism and more equitable representation of Madhesis in state institutions. Does not include MJF(N) and Sanghiya Sadbhavana Party, two other significant Madhesi parties.
- NA**
Nepal Army, until 2006 the Royal Nepal Army.
- NC**
Nepali Congress – second largest party in the CA and a major traditional player in democratic politics.
- NC(D)**
Nepali Congress (Democratic) – NC faction established by Sher Bahadur Deuba in 2002 after the NC rejected his decision to ask the king to dissolve parliament. The NC(D) reunited with the NC in 2007.
- NDA**
Nepal Defence Army – pro-Hindu armed group that has taken responsibility for several attacks on mosques, churches and Christian organisations and individuals.
- PLA**
People's Liberation Army – army of the Maoist party, which fought the state for ten years.
- RJP**
Rastriya Janashakti Party – conservative party led by former monarchy-era Prime Minister Surya Bahadur Thapa, split from the RPP in November 2005 and now in merger talks with RPP and RPP(N).
- RPP**
Rastriya Prajatantra Party – conservative party led by Pashupati SJB Rana, now in merger talks with RJP and RPP(N).
- RPP(N)**
Rastriya Prajatantra Party (Nepal) – only party in the CA that demands restoration of the monarchy, also demands referendum on secularism and federalism; led by Kamal Thapa; split from RPP in 2008 but now in merger talks with RPP and RJP.
- SAARC**
South Asian Association for Regional Cooperation – organisation of South Asian nations comprising Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.
- TMLP(N)**
Tarai Madhes Loktantrik Party (Nepal) – formed by Mahendra Yadav when he split from the Tarai Madhes Loktantrik Party in December 2010.
- TRC**
Truth and Reconciliation Commission – entity to be established under the CPA and interim constitution, tasked with investigating human rights violations and crimes against humanity during the civil war.
- UCPN(M)**
Unified Communist Party of Nepal (Maoist), or just Maoists – largest party in the CA, came above ground at the end of the war in 2006.
- UML**
Communist Party of Nepal (Unified Marxist-Leninist) – third largest party in the CA.
- UNDP**
UN Development Programme.
- UNMIN**
UN Mission in Nepal – UN's political mission to support Nepal's peace process from 2007-2011.

APPENDIX C

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

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Crisis Group's international headquarters are in Brussels, with major advocacy offices in Washington DC (where it is based as a legal entity) and New York, a smaller one in London and liaison presences in Moscow and Beijing. The organisation currently operates nine regional offices (in Bishkek, Bogotá, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina and Tbilisi) and has local field representation in fourteen additional locations (Baku, Bangkok, Beirut, Bujumbura, Damascus, Dili, Jerusalem, Kabul, Kathmandu, Kinshasa, Port-au-Prince, Pretoria, Sarajevo and Seoul). Crisis Group currently covers some 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Nigeria, Rwanda, Sierra Leone, Somalia, Sudan, Uganda and Zimbabwe; in Asia, Afghanistan, Bangladesh, Burma/Myanmar, Indonesia, Kashmir, Kazakhstan, Kyrgyz-

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