

# NEPAL



## Joint Assessment of Selected Sectors of Development Work in Nepal and its Impact on Conflict and Peace

Published by the Commissioning Agencies  
EED, FES, GTZ, MISEREOR, SEQUA

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## Preface

In November 2004 the German development agencies EED, FES, GTZ, Misereor and SEQUA<sup>1</sup> sent a study team of three experts to Nepal for one month in order to jointly assess the specific sectors of development and peace work in Nepal. Special emphasis was placed on developing criteria on how to better support local partners in an actual conflict scenario.

Preparation for the study and the interview sequences in the field were accompanied by FriEnt<sup>2</sup> as well as the regular Roundtable meetings on Nepal which constituted the coordinating body for decisions by the commissioning agencies. FriEnt provided documentation on the proceedings and the development of this Roundtable on Nepal<sup>3</sup>.

The group of agencies, which based its opinion on a previous synopsis of existing studies on the conflict situation in Nepal<sup>4</sup>, expressed that even though there are various comprehensive conflict-based analyses of the situation in Nepal by a wide range of international and national organisations, this is not an adequate basis for intensifying conflict-sensitive development cooperation. They felt that there is a need for conflict-sensitive assessment by partners and agencies and a catalogue of criteria for analysing, categorising, and selecting partner organisations and agencies. Particularly in view of the growing hardening of positions, the choice and composition of agencies and partners is becoming a central issue for the development and support of projects and programmes to promote peace. This hardening of positions has been going on in Nepal since October 2003 and has led to a situation in which local organisations and players are increasingly being requested to show solidarity with or strict neutrality towards the players in the conflict.

With this in mind, the group decided to commission the study. The purpose of the study is to provide recommendations for the conflict-sensitive selection and monitoring of partner organisations and agencies in order to enable the commissioning organisations (all of them together or a group of them), with their comparative advantages and specific avenues of contact, to reach relevant players in terms of peace and conflict at the various levels of intervention (tracks 1-3)<sup>5</sup>. So the task of the study team is to analyse the development work of selected Nepalese organisations and agencies, especially with regard to their position on and impact on conflict. In this sense, the study is supposed to obtain greater clarity regarding the peace-related role of partners in the context of conflict. Furthermore, the study is supposed to elaborate on a catalogue of criteria to enable the commissioning organisations to view agencies/partner organisations through conflict-sensitive eyes and to provide recommendations for the continuous monitoring of partners with regard to their position on and impact on conflict. In principle, the recommendations are also supposed to help intensify the activities of various local players in relation to each other (increasing synergy effects) and show ways in which a conflict-sensitive approach could be advanced by German governmental and non-governmental development cooperation organisations working in Nepal.

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<sup>1</sup> The commissioning agencies - Church Development Service (EED), Friedrich Ebert Stiftung (FES), The German Catholic Central Agency for Development Aid (KZE/MISEREOR), German Agency for Technical Cooperation (GTZ), Foundation for Economic Development and Vocational Training (SEQUA) - form part of the German Nepal Development Roundtable, which was established in 2003 by the German development agencies as a coordinating body on issues of peace and conflict in Nepal.

<sup>2</sup> FriEnt (Gruppe Friedensentwicklung / Working Group on Development and Peace), Members are · Federal Ministry for Economic Cooperation and Development (BMZ) · Church Development Service – An Association of the Protestant Churches in Germany (EED) · Friedrich Ebert Stiftung (FES) · Friedrich Naumann Stiftung (FNS) · German Agency for Technical Cooperation (GTZ) · The German Catholic Central Agency for Development Aid – KZE/Misereor · Civil Peace Service Group (Konsortium ZFD) · Platform for Civil Conflict Management/Institute for Development and Peace (INEF).

<sup>3</sup> Anja Dargatz, Sylvia Servaes. The documentation is available on [www.frient.de](http://www.frient.de).

<sup>4</sup> For interest in the synopsis please contact FriEnt.

<sup>5</sup> Track 1-3 describes the level of intervention in a hierarchical model of society: Track 1 is the highest political level, the Nepali power elite (king, government, army, political parties); Track 2 includes important opinion-makers on the middle level (professionals like politicians, journalists, economists, human rights defenders); and Track 3 describes interventions on the grassroots level (communities, organisations of social fabric).

It is in the nature of such a publication, especially when looking at conflict-sensitive issues, to find points of common interest. Therefore, the external version does not focus on the individual experiences of partner organisations, but presents the results relating to certain sectors of work (health, rural area, civil society actors, business) and new methodological approaches towards working with partners in conflict situations. We leave it to the readers to make the best use of this experience. At the same time, we ask the readers to make careful use of this study. In respect to public use, such as citing or publishing parts of this study, please contact the commissioning agencies in advance and ask them for their permission.

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*Photo on the title: Thomas Döhne – Checkpoint in West-Nepal.*

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### **MISEREOR – The German Bishops’ Organisation for Development Cooperation**

MISEREOR – The German Bishops’ Organisation for Development Cooperation was founded in 1958 as Campaign against Hunger and Disease in the World. In its capacity as the welfare organisation for cooperative development work of the Catholic Church with the countries of the South, MISEREOR works in the spirit of partnership with all people who promote development, fight poverty worldwide, liberate people from injustice, show solidarity with the poor and the persecuted, and wish to create “one world”. MISEREOR provides funds regardless of race, religious affiliation, and gender. MISEREOR is not operational in itself, but rather works together with churches and private partners and agencies in countries of the South. The funds originate from donations, subsidies (the latter through the German Catholic Central Agency for Development Aid (KZE) established in 1962) and church budgetary funds.

MISEREOR promotes activities for civil conflict management (prevention, conflict, and post-conflict phase) and creates conditions for the peaceful co-existence of people. In Nepal, MISEREOR supports partner organisations which perform conflict-sensitive work in their projects and carry out specific projects on conflict management.

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### **The Church Development Service (EED)**

provides support through financial contributions, personal involvement, and expert advice to churches and private partners and agencies which help to build a just society, stand up against discrimination based on race, gender and religious affiliation, and aid people living in distress and poverty whose human dignity is being violated or who are being threatened by war and other catastrophes. The EED initiates and promotes steps to make individuals in the church, in the general public, and in politics conscious and willing to become involved in overcoming distress, poverty, persecution, and discord in the world and contribute to improving the political and economic circumstances for human development. The EED was founded in 1999 on the initiative of the EKD.

The EED promotes activities whose direct goal is civil conflict management or post-conflict care and also activities which are of indirect importance for crisis prevention and post-conflict care. The EED and its partners examine the extent to which their activities minimize or increase violence. The concept of conflict-sensitive project planning plays an important role in this. The objective in Nepal, and in other places, is to provide special support to actors at the local level who are able and willing to promote peace.

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### **Friedrich Ebert Stiftung (FES)**

Founded in 1925 as a political legacy of Germany's first democratically elected president, the Friedrich-Ebert-Stiftung is committed to social democracy with the objective of 1) promoting the political and social education of people from all walks of life in the spirit of democracy and pluralism, 2) providing talented young people with access to study and research through scholarships, and 3) contributing to international understanding and cooperation.

Currently, 570 staff members are working on promoting these goals. The international work connects Friedrich-Ebert-Stiftung with partners in over 100 countries worldwide, many of which are affected by latent and acute conflicts. For this reason, the field of crisis prevention and civil conflict transformation is becoming increasingly important in the socio-political cooperation: alongside the objective of socially and democratically shaping global processes, the project activities aim at the constructive and peaceful transformation of conflict in various phases. In doing so, Friedrich-Ebert-Stiftung is dedicated to the principle of sustainability as well as to the approach of do-no-harm. This places the emphasis in civil conflict management on connecting forces and on the local peace potential. Civil conflict management encompasses all activities before, during and after a violent conflict such as influencing the causes of conflict, the rivals and their forms of dialogue as well as strengthening the peaceful potential within the respective society.

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The GTZ, founded in 1975 as a private business enterprise, is a non-profit federal enterprise for international cooperation which operates worldwide. The enterprise employs around 9,500 staff members in over 130 countries in Africa, Asia, Latin America, the transformation countries of eastern Europe, the New Independent States, and in Germany. It works towards the goal of positively shaping the political, economic, ecological, and social development in countries of the South and the East in order to improve the living conditions and perspectives of the people. Through its services, the GTZ supports complex development and reform processes and contributes to sustainable development in the world.

In order to become aware of the connection between development cooperation and conflicts and in order to strengthen the potential of development cooperation in this area, the GTZ has carried out the sector support programme "Crisis Prevention and Conflict Management" commissioned by and funded by the Federal Ministry for Economic Cooperation and Development since 2001. The main emphasis of this sector support programme is the continued development of concepts and instruments for crisis prevention, conflict management, and peace-building as well as their application in development cooperation with the objective of establishing this important cross-over topic.

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### **Foundation for Economic Development and Vocational Training (SEQUA)**

SEQUA is a subsidiary of the Association of German Chambers of Commerce and Industry (DIHK), the German Confederation of Small Business and Skilled Crafts (ZDH), and the Confederation of German Employers' Associations (BDA). Together with German chambers and business associations, SEQUA primarily promotes the development of small and mid-sized enterprises through public funds. SEQUA has two projects in Nepal. In the chamber and business association programme of the Federal Ministry for Economic Cooperation and Development (BMZ), the HwK Rheinhessen promotes the Pokhara Chamber of Commerce and the establishment of a chamber network in Western Nepal. In the private sector support programme of the GTZ, SEQUA supports around 15 Nepalese chambers and business associations.

This cooperation work requires other approaches under conflict conditions. SEQUA attempts to effectively take into consideration the goals of promoting employment and alleviating poverty through cooperation with other projects. Through this joint initiative of private enterprise, the public sector and interest groups in society, hope is created through a broad platform of action that the results will not fall victim to militant attacks or political calculations.

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## Abbreviations

ADB	Asian Development Bank
APF	Armed Police Force
BOGs	Basic Operating Guidelines
CIAA	Commission for the Investigation of the Abuse of Authority
CPN(M)	Communist Party of Nepal-Maoist
CPN-UML	Communist Party of Nepal-United Marxist-Leninist
DDC	District Development Committee
CDO	Chief District Officer
CTO	Conflict Transformation Office
Danida	Danish Agency for International Development
DFID	Department for International Development, UK
DOHS	Department of Health Services
EED	Evangelischer Entwicklungsdienst
FAST	Early Analysis of Tensions and Fact finding (German Acronym)
FES	Friedrich-Ebert-Stiftung
FRIENT	Gruppe Friedensentwicklung
GTZ	Gesellschaft für Technische Zusammenarbeit
HSS	Health Sector Strategy – An Agenda for Change
HWK	Handwerkskammer / Chamber of skilled crafts
HMGN	His Majesty's Government of Nepal
IDP	Internally displaced persons
ILO	International Labour Organisation
IOM	Integrated Organisational Model
INGO	International Non-Governmental Organisation
LSGA	Local Self-Governance Act
M&E	Monitoring and Evaluation
MOH	Ministry of Health
NC	Nepali Congress (Party)
NDF	Nepal Development Forum
NGO	Non Governmental Organisation
NHRC	National Human Rights Commission
NHSP-IP	Nepal Health Support Programme – Implementation Plan
NSMP	Nepal Safer Motherhood Programme
NTFP	Non-Timber Forest Product
PCIA	Peace and Conflict Impact Assessment
PRSP	Poverty Reduction Strategy Paper
PW	People's War
QM	Quality Management
QMS	Quality Management System
RH	Reproductive and Maternal Health
RMO	Risk Management Office
RNA	Royal Nepal Army
SDC	Swiss Development Cooperation
SEQUA	Foundation for Economic Development and Vocational Training
SHG	Self-Help Group
SORA	Social Organisations Registration Act
SWC	Social Welfare Council
TADO	Terrorist and Disruptive Activities (Control and Punishment) Ordinance
UNDP	United Nations Development Programme
VCDP	Vulnerable Community Development Plan
VDC	Village Development Committee
ZOPP	Zielorientierte Projekt-Planung

# Executive Summary

## Major Conflict-related Findings

Findings from the study suggest that partner organisations are generally aware of the impact of conflict on their programmes and projects. Most of them are working in conflict and have taken various steps to respond to implied risks and challenges. Under the impression of escalating conflict and increased risks, some of them have moved closer together. They are networking and seeking cooperation and possible synergies at various levels. However, many partner organisations also expressed that their ability to contribute actively to peace-building is limited and that the conflict can only be resolved at the highest political level (track I). Divisions amongst the Nepali power elite (king, government, army, political parties), which are further complicated by interfering foreign interests, are seen to hinder conflict resolution and a negotiated agreement with the Maoists.

Only few of the assessed partner organisations have an explicit mandate to work on conflict transformation and peace-building and seem to have the potential to influence national politics. Most others only have access to tracks II and III and do not have an explicit mandate to work on conflict. Still, they are trying to integrate issues of conflict resolution and peace-building as cross-cutting issues into their ongoing development work.

Most partner organisations are Kathmandu-based. Desegregated staff profiles indicate that women and members of disadvantaged ethnic groups and castes are underrepresented, in particular in regard to decision-making and leadership positions. The executive personnel in these organisations with few exceptions are of privileged high-caste Hindu background and represent the higher middle class. Some of them through family links have individual access to the above-mentioned power centres. However, while carrying out the assessments it became evident that in order to understand the implications of such connections and their impact on respective organisations a deeper study needs to be carried out.

Individual coping strategies in regard to the conflict differ widely. Some of the larger organisations have established risk management functions within their organisational set-up; others deal with the conflict mainly through existing networks, or individually, informally, and on a day-to-day basis.

Overall there is a continual need for capacity building and advisory services for NGO staff on how to go about working in the present conflict situation and for close monitoring of unfolding conflict dynamics. Since the breakdown of the last peace talks in August 2003, the conflict has again escalated and the situation has become more unpredictable. This implies that development work in Nepal will take place under the adverse conditions of armed conflict for some time to come.

## Recommendations to the Commissioning Agencies in Germany

In light of the present conflict situation in Nepal, the following recommendations are made to the commissioning agencies in Germany:

### General Recommendation

Do not withdraw from the conflict situation although it might become more difficult to keep regular contact with your partner organisations in the country. Both conflict parties might try to hinder and limit the work of international organisations and national NGOs. As the conflict turns more violent, human rights abuses will be more frequent and peace supporting stakeholders and organisations will experience stronger suppression. Do not support this strategy by reducing your aid to your partners.

## **Recommendations for the Work in Germany**

- Intensify the PR work in Germany through joint activities like press conferences, public discussion forums, and press releases to inform the German public about the situation in Nepal.
- Clarify your mandate as a working group. How far will your cooperation and collaboration go? What is the scope and where are the limits of such cooperation? What is the position of individual members of the group towards closer cooperation and joint projects? Some cross-checking as to how much collaboration is desirable at all based on the broader spectrum of the political circumstances in Germany.
- Work on the political level in Germany as a pressure group (e.g. joint statements to ministries, members of parliament, etc.) to prevent the reduction or complete withdrawal of German aid to Nepal due to the conflict situation, as long as continuation appears feasible. The cross-sectional tasks of the Conflict Transformation Office (CTO) in Nepal should continue to respond to the needs of the TC projects and programmes in view of their conflict-sensitive development.

## **Recommendations for the Work in Nepal**

- Include projects which work in the field of human rights and media. In the course of an escalating conflict situation, the human rights situation is likely to further deteriorate; therefore, the observation of the human rights situation on a national and local level and the documentation of human rights abuses and the support of a free press will have priority. This can also be done through technical support (databases, training for journalists, education in human rights monitoring) to avoid political interference.
- Do not limit your support to Kathmandu-based partner organisations. The conflict takes place at the local level and there are several smaller NGO's with direct access to the community level where support is also needed.
- Emphasise to your partners in Nepal the need for closer cooperation and strategic alliances in Nepal as part of a conflict transformation strategy which is supported by the commissioning organisations in both countries, Germany and Nepal.
- Do not reduce your support to a single-track approach; strategic alliances for peace have to be built up between all levels and stakeholders for conflict mitigation. Also bring together those organisations which seem to have latent conflicts or tensions between them and work as an intermediate to reduce these tensions. This will strengthen the cooperation between different sectors of the Nepalese society.
- Intensify the regular analysis of resource allocations, staff origin, and the implementation of a joint monitoring system (see suggestion for monitoring in the respective chapter of the report) for fact-finding which really benefits from the projects of your partner organisation in Nepal.
- Transfer your working group approach to Nepal. In order to get synergy effects, your offices in Nepal must support your efforts to work together. This requires an intensified explication of the purpose of the Nepal-group to the Nepal offices and active promotion on location.
- Support the communication structure between your respective country offices and representatives in Nepal to enable and facilitate joint working approaches for peace support and conflict transformation.

The following parameters are seen to be relevant for the commissioning agencies in regard to selecting partner organisations in the current conflict situation:

- Tangible results for local communities in terms of improved quality of life;
- Inclusion of poor and disadvantaged groups;
- Benefits in terms of improved livelihoods of poor families;
- Work with and through local staff;
- Transparency and accountability in all financial matters;
- Openness and ability to dialogue with both conflict parties if possible.

Findings from the study underline the importance of continued support of the partner organisations in Nepal at this critical point in time. Withdrawal would be the wrong message as it might further weaken those segments of the Nepali society which still adhere to and advocate democratic values and work towards conflict resolution and peace-building. It would deprive the really needy local people of the support they require. The realities of today's conflict affecting Nepal dictate two options for support:

*a) Support improved implementation practices/real benefits to the local community:*

- Support such development INGOs and NGOs and business initiatives which genuinely reach the people and provide options for sustainable livelihoods.
- Continue support for organisational development of partner organisations in order to strengthen their work on principles of good development practice and enhance their capacities to analyse, monitor and respond to the conflict dynamics.
- Allow for flexible arrangements in terms of delays of programme implementation and necessary readjustments due to the conflict.
- Monitor programmes/projects in terms of their addressing root causes of conflict.
- Extend donor co-ordination to their general development practice and not limited to matters of conflict.
- Increase accountability and transparency of donors to the Nepali people, not only to their own governments.

*b) Support pro-active peace-building:*

- Provide separate funds for specific peace-building or advocacy initiatives.
- Invest in capacity building of human rights activists for responding to improve their negotiation and mediation skills.
- Support capacity building in the area of counselling needs caused by the conflict.
- Allocate extra budgets for relief services to internally displaced people and for other services required as a result of the conflict.
- Support small surveys to identify the effects of conflict on the people.
- Support capacity building of health services to respond to conflict related psycho-social problems.
- Use existing structures and networks in Germany to inform the German public about the problems of the civic population in rural Nepal with the prospect of placing international pressure on conflict parties to negotiate a peaceful solution of the political crisis.
- German funded NGOs should receive information about conflict and peace-related initiatives undertaken by various partner organisations.

## **Criteria for the Conflict-sensitive Selection of Partners**

Conflict-sensitive selection of partners can be grouped into three areas:

- Ability to work in conflict-affected areas
- Institutional structures, processes and approaches, manner of delivery of interventions
- Understanding, skills and competency related with peace and conflict work

*A. Select organisations which can ...*

- Maintain regular dialogue with the Maoist rebels and the security forces on the district and village level; keep a neutral profile, do not indulge in any spying.

- Implement projects with sustainable results and wide coverage and be able to integrate "software" inputs within the direct delivery intervention.
- Address local needs, with staff/motivators/facilitators from the same community which are connected to the local situation; understand the dynamics of the insurgent group and be accountable to the communities.
- Maintain staff consistency in their programmes as well as positive behaviour and attitudes towards the community and the local stakeholders of the conflict.
- Regularly review the security situation, political changes and the perception of the stakeholders about NGO's and donors, and be willing to adopt strategies accordingly.

*B. Select organisations which can ...*

- Provide benefits to the communities, be transparent and accountable, be effective in service delivery.
- Position the community as the key actor at the centre of all activities/ implementation process for development projects.
- Demonstrate through their working practices, organisational norms, and staff profile that they are addressing caste and gender-based discrimination themselves.
- Allocate resources so that maximum benefits reach the community women and men.
- Work without a number of intermediaries between the donor funding and the community people.

*C. Select organisations that have the ability and willingness to adopt specific conflict-related methods and instruments.*

- Mediation skills
- Conflict analysis tools and methods
- Self-reflection on attitudes, values and ethical messages
- Advocacy track record.

## **Conflict-sensitive Monitoring**

The level of monitoring for commissioning agencies and their partner organisations varies depending on the kind and scope of support provided. The commissioning organisations require the reviewing and revising of the existing M&E systems and formats with each of their partners. Suggestions for a basic M&E system can be found in the main report.

# 1 Introduction

## 1.1 Background of the Mission

Since 1996, Nepal has gone through a period of deepening political crisis and escalating armed conflict. Up to now, more than 12,000 people have been killed and tens of thousands were forced to leave their homes.<sup>6</sup> Many more people have been suffering in manifold ways. The continual downward spiral of the country not only has had an adverse impact on ongoing development activities. At present, there is little hope that a peaceful resolution of the crisis will be found soon. Rather, political analysts expect a protracted war situation in Nepal for some time to come.

In 2003, a working group of FriEnt and five German development agencies, all involved in various development activities in Nepal, was formed with the purpose of gaining a common understanding of and finding coordinated ways of dealing with the present conflict situation and its effects on programmes and projects supported by them. One particular point of concern was to make sure that partner organisations and their respective programmes are adequately equipped to deal with the protracted conflict situation and that they themselves do not contribute to fuelling the conflict in one way or other. To this end, a study was commissioned by the working group with the task of assessing selected partner organisations in regard to their respective position in the conflict, the effects of conflict on their work, and their specific responses and coping strategies in dealing with the current situation.

These assessments are supposed to constitute the basis (in the sense of case studies) for providing general recommendations for conflict-sensitive selection and monitoring of executing agencies and therefore to enable the commissioning organisations to reach relevant players at various levels in terms of peace and conflict.

## 1.2 Methodological Framework

The methodological framework used to carry out the assessments represents a combination of the Integrated Organisation Model (IOM) and questions adapted from Peace and Conflict Impact Assessment (PCIA). The IOM model was agreed by the team to be an appropriate analytical instrument to look at the different organisations by applying one standard framework. Having a standard framework to relate information gathered in the interviews was thought to be all the more important as the partner organisations differ widely not only in terms of their specific mandates and fields of involvement (sectors), but also in terms of size, complexity and the kind of support they have been receiving from the respective commissioning agencies. While the IOM model is used to look at internal aspects of an organisation and its general and specific environment, PCIA anticipates the potential and actual peace-building and peace inhibiting impact of a project and implies assessing the unintended consequences of development interventions beyond stated project objectives.

### 1.2.1 Analytical Approach and Instruments

The study approach is built on the assumption that the root causes of conflict in Nepal today need to be addressed in order to deescalate the current conflict and achieve sustainable peace. Swiss Peace lists a wide range of historical, political, institutional, societal, demographic, economic, ecological and international root causes and proximate causes which comprised and triggered the current state of armed conflict.<sup>7</sup> Unless at least some of these complex root causes are dealt with, chances for a peaceful settlement of the conflict remain low. Projects, whether in rural development or the business sector, which do not reach the more marginalized and which do not result in concrete benefits to improved

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<sup>6</sup> Since the failure of the last peace talks at the end of August 2003, an estimated 3,500 people have lost their lives due to the conflict. (nepalnews.com 8 December 2004)

<sup>7</sup> E.g. enforced economic and social inequality based on ethnic and caste discrimination, gender exclusion from mainstream society, farmers being land-poor or landless, underdevelopment and poverty in West Nepal, extreme dependency on foreign aid, soil erosion, overwhelming influence of India etc.; FAST April 2004

livelihoods of poorer communities or even increase the gap between social strata may contribute to an escalation of conflict in the short to medium term.

Generally, development is likely to lead to conflict because it involves the delivery of economic resources and social assets into communities, thus changing power relations. The challenge is that this conflict, which is positive as long as it catalyses positive change, does not become violent.

A second assumption is that efforts for protection, knowledge generation, and mediation need to provide the information for analysis, prepare the people and the conflicting parties for peace, and support people directly affected by conflict in the immediate and short term. The documentation, sustained dialogue, and support reflecting the needs and concerns of the excluded and marginalized and the other structural causes of conflict would potentially contribute to peace.

Based on the 'Synopsis of Several Conflict Analyses on Nepal (2001-2003)' compiled by FriEnt, the team extracted the main root causes of the violent conflict as mentioned in the synopsis paper. Qualitative indicators thought to be relevant in regard to assessing the conflict sensitivity of partner organisations were identified from this and also drawn from discussions with stakeholders and one's own experience.

General criteria used to assess conflict and peace dynamics in regard to the work of the partner organisations involved whether the project

- enables/prevents access of marginalized castes/Dalits and other disadvantaged groups in society to wealth and power;
- facilitates/hinders economic opportunities to improve the livelihoods of the poor;
- addresses/ignores issues of governance (corruption, rule of law, decentralisation);
- facilitates/hinders access to services such as healthcare;
- supports/hinders voice of excluded in political power;
- narrows/widens gap between rural and urban centres;
- addresses/ignores issues of discrimination based on language, gender, caste and ethnicity.

Applying the above mentioned criteria, the team examined the understanding of respective partner organisations in regard to their role in conflict, how their work was impacted by conflict, and what their specific responses and coping strategies are in dealing with the situation. Starting with the experience of individual organisations, the study team aimed at gaining a wider perspective of crosscutting issues and identifying viable practices and strategies. This was done in regard to making recommendations on how conflict sensitivity can be enhanced in the current environment and what the commissioning agencies can do to support such efforts. For that matter, the team reviewed relevant project documents, and held talks with project staff and other stakeholders, and in some cases small interactive workshops.

A checklist with questions based on the above-mentioned combination of the IOM model with the PCIA concept served as an instrument for the team to structure the interviews and organise the interview material. With certain limitations, this checklist was thought to be applicable to all organisations. However, the range of partner organisations was so diverse, and their particular work environment differed so much, that it was not always possible to follow through exactly with the same format.

In some cases, focus group discussions were conducted. Focus groups are semi-structured group meetings in which the participants contribute to the generation of information on specific questions regarding the current conflict situation and how conflict-sensitivity can be enhanced. Focus group discussions also provide an opportunity to cross-check information with a large number of people in a short period of time.



Semi-structured interviews were used, as they are a low-cost, quick method of gathering information from individuals or small groups. These interviews were also structured according to the written IOM/PCIA checklist. Again, depending on the particular situation and the interview process, some flexibility was applied. The IOM/PCIA checklist ensured that the interviews stayed focused on the conflict issue at hand, but were conversational enough to allow participants to introduce and discuss matters they felt were relevant.

Initially, the team conducted an opening workshop with representatives from each partner organisation. This workshop was aimed primarily at creating a transparent and open work environment as a basic element for confidence-building. Mutual trust was seen by the team as a prerequisite for carrying out the study. Since its purpose was to generate and feed back relevant information on conflict sensitive responses to the commissioning agencies, and not to evaluate the individual performance of respective partner organisations, this had to be clearly communicated in advance.

### **1.3 Rationale for the Sector-wise Approach**

Looking at a wide range of diverse and complex partner organisations with respect to generating information about their conflict sensitivity from which some common conclusions can be drawn requires categorising them in some way or other. The team opted for a sector-wise approach because it was assumed that there may be conflict-related issues of a more common nature and, at the same time, issues which relate to a particular sector/segment of this entire spectrum. Furthermore, this approach is related to analytical instruments such as PCIA and FAST Analytical Framework Nepal which deal with conflict analysis.

The team identified the following 4 sectors:

- Rural development sector
- Civil society
- Health sector
- Business sector

The alternative option of applying a geographical clustering approach in order to identify possible areas of coordination between partner organisations of different commissioning agencies was not pursued, as it was not feasible to assess the respective situations in concerned regions in advance. However, it has been reported by some partner organisations that due to increased conflict-related pressure some coordination is already actively sought and taking place.

### **1.4 Limitations of the Study**

Few direct interactions took place with beneficiaries and target group members of the various programmes organised by the partner organisations. The prevailing security situation did not allow the team to go to remote villages and have direct interaction at the community level. The team had been cautioned by the German Embassy and RMO not to undertake any steps which could be harmful either to team members or the people they were dealing with. Nowadays, staying and travelling in Nepal is time consuming and not without risks:

- two days before two team members left for Butwal, the district police chief got killed by a Maoist death squad in broad daylight there;
- while ordering tickets to Sankhuwasabha, public announcements were made by the state radio not to go there because the army had started major military operations.
- two team members went to Nepalgunj; meetings with different groups had been scheduled in advance. After spending four hours at the airport, the flight was cancelled at short notice. On the following day they at last arrived there, again with three hours delay.

Coordinating the visits and meetings was more difficult and time-consuming than previously anticipated. Because of the conflict situation, people were not always able to meet the team as planned. Communication with programme sites outside the Kathmandu valley was difficult.

While all the organisations provided sufficient time for discussions, the team felt a certain "conflict study fatigue" from some partner organisations as there had been numerous teams of different donors focusing on analysis and an understanding of the effect of conflict on their work. Another limitation was minimal documentation maintained by certain partner organisations.

## 2. Present Situation in Nepal and Context of the Study

### 2.1 Political Situation and Conflict Dynamics

For years now, Nepal has gone through a period of deepening political crisis. This crisis resulted in the Maoist insurgency which led the country on a destructive path of violent conflict. Over the years, the conflict has brought about huge suffering in particular for the rural populace. Villagers are cut off from most public services because the government has withdrawn its presence from the VDCs and Ilakas to district headquarters. In many villages, ordinary people are caught in between two armed forces and are taken hostage by the conflicting parties. Their movements are severely restricted and they are kept in constant fear by both sides. They have to feed the Maoists when they come and in turn are at risk of the army retaliating against them. The civil rights in the constitution of 1991 are often ignored and violated. There is no security and rule of law in most of the country, which would guarantee people's safety and right to life. As always in violent conflicts and war situations, the most vulnerable groups in society, i.e. the poor, children, youths and women, have become victims of armed conflict and must bear the social and economic costs of war.

People are faced with dual pressures from the Maoist's self-claimed people's government and from HMGN, both lacking democratic legitimacy. There is still no parliament in place. Recent amendments to the anti-terrorist ordinance TADO have increased the power of security forces to detain persons suspected of involvement in terrorist activities for up to one year without prior court decision. At the same time, HMGN has come under increased international pressure to improve its human rights situation.<sup>8</sup>

Meanwhile, many books and studies have been published about the conflict in Nepal, trying to capture its origin, effects and underlying root causes. Feudal legacies, poor governance, exclusion of marginalized ethnic groups and castes, growing gaps between those who have access to wealth and power and those who do not, neglect of rural areas and growing unemployment have been cited as underlying root causes of the present conflict situation. Divisions between hill and Terai people, rural areas and urban centres, discrimination based on language, gender and caste and a default constitution, which does not adequately depict the multi-ethnicity and multicultural composition of Nepal add to the staggering complexities which the country is faced with at present. All these issues are pending and still waiting to be addressed, which will not likely happen in the current war situation. Political developments in recent months do not show signs that a peaceful political solution to the conflict can be found soon. Positions of the conflicting parties seem to have hardened.

The Maoists recently declared their vision of a regional Maoist liberation movement linking up with similar groups from neighbouring countries to form a trans-Himalayan revolutionary movement. Whilst the government is talking about its readiness to negotiate and hold elections, the visit of Prime Minister Deuba to India was not encouraging for the peace process. India promised further military aid and strongly reiterated its objection to any foreign mediation. It also objected to mediation meetings being held in a foreign country. This makes it difficult for the government to hold secret talks with the Maoists, which would require mediation of a third party and a neutral venue. At present, the prospects for a peaceful settlement in the near future look grim since tensions remain between the government and the King and political parties which did not join the present coalition government.

Although they publicly announced openness for talks, the Maoists do not accept the present government and would rather negotiate directly with the King, who in their mind holds the true power. In fact, much depends on King Gyanendra and his willingness to step back from the earlier commitment of becoming an "active monarch" and instead to help reactivate the

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<sup>8</sup> In November 2004, the US government, reacting to pressures from the US Congress, announced to tie future military assistance to adherence to international human rights standards; at its annual meeting in March 2005, the UN Office of the High Commission of Human Rights will most likely decide on measures to monitor the human rights situation in Nepal more closely. (Nepali Times 222, 19-25 November 2004, page 4).

democratic process. On the other hand, there has been some recent public debate over the scenario of military rule and an "authoritarian regime" if the present government fails. This debate was initiated by a conservative group of the Nepali power elite close to the king's council (*raj parisad*) who actively, and in violation of the November 1990 constitution, support the idea of an open royal take over of executive state powers with help from the army.

Adding to such complications are reports that the unity and central control of the Maoists has been disintegrating in recent months. Frequent arrests and killings of leaders have affected their lines of command and are likely to cause factionalism, desertions and disharmony in their ranks. Disagreements amongst central committee members on the issue of participating in peace talks or not have also been reported by the press. Due to the geographical features of Nepal and existing ethnic complexities, it is very likely that a protracted guerrilla war will increase the likelihood of splits and factionalism within the Maoist movement. The ultimate scenario of such a development would be the establishment of some kind of warlord system, where local commanders and their armies rule over certain areas under their control.

Recently, the Maoists have given their local "people's courts" the legal right to sanction the death penalty against "anyone who commits a serious crime".<sup>9</sup> Thus, the death penalty has been 'decentralised' to the rebel's district and village courts, and approval of the central party leadership is no longer required. The lower ranks of the Maoists cadres are known to be not primarily motivated by communist ideology but by the provision of basic needs like food and clothing and promises for a better future. Growing factionalism bears the risk of isolated armed groups drifting into terrorising the local people for the sake of their own economic benefit. In some of the rural areas this problem seems to be cropping up.

The Maoists are tightening their grip on rural areas and pose restrictions on all movements. Local people as well as NGO staff are not allowed to enter or leave these areas without prior notice and permission. The pressure on NGO and project staff with salaried income to pay tax has increased and in some instances amounts have also been demanded. Demands from the Maoists for NGOs and INGOs to get registered with their 'local people's government' have further increased the pressure on development organisations. Local people in conflict-affected rural areas are extremely tired of the sandwich situation they have been caught in for years now. They are particularly tired of the brutality with which both conflicting parties are trying to impose their rule on them.

## 2.2 Effects of the Conflict on Development Work

Foreign aid and development in Nepal for long has been perceived as a "mixed blessing" for the country. Nobody would deny the fact that development efforts have brought about some positive change, but the degree of aid dependency created in the course of time has drawn criticism from different quarters of Nepali society.<sup>10</sup> In the course of conflict, development work, too, has become a contested site of class struggle, viewed by the Maoists to be an instrument of imperialist control over the country.

"Maoists' active, and at times violent, rejection of development projects stems both from their ideological stance and their practical analysis. On a practical level, they feel that the implementation of current development projects is fundamentally corrupt, non-transparent and externally imposed. They assert that development projects are limited to providing jobs for urban-based educated elite, which in effect is a tool in waging war against the poor".<sup>11</sup>

Most development work has been adversely impacted due to the conflict. Programme implementation has been stopped or delayed considerably because of frequent strikes (Bandhs), Maoist threats or measures taken by the security forces. Overall, the situation in rural areas has gradually worsened and become less predictable. Being a development or

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<sup>9</sup> Nepali Times 221, 12-18 November 2004, page 6

<sup>10</sup> Pyakuryal 2004, page 22

<sup>11</sup> Lama 2003, page IV

human rights worker has become more difficult and risky over the years. Caught in the middle of an intensifying conflict, they have to keep a balance and a neutral profile. Their basic protection is to be open and transparent about the work they are doing and that this work yields benefits for the local community.

Employment of local staff for the implementation of development programmes has become a very important factor for working in a conflict environment. Recruiting the right persons, i.e. those who are honest, trusted by local people and not politically involved can be crucial. In general, projects involved in infrastructure building or economic development which are seen to provide “hardware” are faring better and have less difficulties working than those which are more focused on social mobilisation (awareness raising and capacity building), the so-called “software”. This can be attributed to the fact that the livelihood needs of people in the villages and the need for infrastructure building have increased due to the long absence of any technical support by the government line offices. Programmes focussing on group formation and empowerment are often perceived to be spreading Maoist thoughts or else competing with the Maoist effort of organising people into their structures and thus disliked by both sides.

Keeping in dialogue with district administration and the Maoists has become a prerequisite for any development work in conflict-affected areas. Thus, social mobilisers and other project and NGO staff need to acquire the necessary negotiation skills to enable them to deal with difficult situations.

## **3 Assessment of Selected Sectors of Development Work**

In the following sections, each of the above-mentioned sectors is briefly introduced. Section-wise conclusions and recommendations lead to a chapter on general conclusions and recommendations.

### **3.1 Overview Health Sector**

Nepal's health services have come a long way since the early days of traditional medicine by community healers. Along with the availability of international health services, the government programmes have attempted to introduce progressive measures in policies and programmes for improved health services. But Nepal's topographical features and its large number of settlements with scarce infrastructure, the widespread poverty and caste-based social structure have had a significant influence on the health situation.

In December 2003, His Majesty's Government of Nepal approved its "Health Sector Strategy: An Agenda for Change," which focuses on attaining the Millennium Development Goals (MDGs) of reducing child mortality; improving maternal health; and combating HIV/AIDS, malaria, and other diseases by 2015. There were wide-ranging consultations over three years with non-health ministries, non-governmental organisations (NGOs), the private sector, consumers, donors, and healthcare providers. In order to implement the strategy, the government prepared the Nepal Health Sector Program-Implementation Plan (NHSP-IP), which forms the core of the five-year programme.

Despite poor health conditions, the demand for public health services is low. In fact, only 15 percent of the Nepali population has access to health services. Reaching households and increasing utilisation – especially among the poor, women and marginalized groups– remains a key challenge for the sector.

Census data highlights how women and children are worse off in most health indicators. This is a direct result of women's and girl's lower social status and the consequent lack of access and utilisation of health services. The survival and well-being of children and women, particularly from Dalit and Janajati households, face a range of health related constraints due to socio-economic factors. Marginalized groups, women, Dalits and Janajatis are more vulnerable to issues of child health and communicable diseases, adolescent reproductive health, safe motherhood and sexual and reproductive health of girls and women, Human Immunodeficiency Virus/Acquired Immuno Deficiency Syndrome (HIV/AIDS), Sexually Transmitted Disease (STD), and the impact of conflict.

Gender based inequality results in several additional constraints for women and girls that cause maternal death and several illnesses. With one in four Nepali women suffering from malnutrition and 75 percent of pregnant women being anaemic and 90 percent child births at home, women face numerous life-threatening complications. Ninety-five percent of women do not receive treatment in health facilities (UNICEF 2003). Given the prevailing income, location and social disparities, a large number of these women are from Dalit and Janajati communities.

Reproductive and maternal health (Nepal has an unacceptably high maternal mortality rate of 539 per one hundred thousand women) is of particular concern among Nepali women. RH services must not be conceived simply as bio- medical consequences but as consequences of their gender roles and the socio-cultural beliefs/practices that govern their lives. Cumulative effects of poverty, social exclusion, discrimination by higher caste communities and health service providers and the poor status within families results in higher maternal deaths amongst Dalit and Janajati women.

Donor support for the health sector has been strong over a number of years. Contributions by External Development Partners (EDP) were between 38.6 percent to 39.7 percent of the

total public health expenditure over the period 1999 to 2002. DFID is the largest contributor amongst donors with 18.5 percent expenditure of EDPs in health sector, followed by UNICEF: 9.1 percent and WHO with 6.5 percent (HEFU/MOH 2003). In September 2004, the World Bank approved a credit of US\$10 million and a grant of US\$40 million to expand access to, and increase the use of, essential health care services, especially by underserved populations in Nepal. BMZ through GTZ has been a regular donor since 1994 (refer below for details).

Though largely unrecognised, the impact of conflict has been strong on the health situation in Nepal. There are reports of destruction of sub-health posts, increased absence of health care providers at peripheral health facilities, blockades of essential drugs and other health commodities into certain health facilities, difficulties in conducting supervision and monitoring visits by regional and district-level health officers, disruption of the cold chain due to lack of fuel in places where electricity is no longer available, and destruction of telephone towers and roads with the subsequent isolation of districts and their health facilities. These factors have all impacted on the delivery of essential health care services at the district level, such as outreach immunisation activities, primary health care mobile services and surgical sterilisation camps. The lack of essential drugs in rural health facilities has also affected the delivery of basic health services, such as treatment of child pneumonia, reproductive health care, and ambulatory care for minor injuries (Martinez and Koirala 2002).

### **3.1.1 Summarised Assessment of Ministry of Health**

Nepal has a wide network of public health infrastructure; seventy percent of the population depends upon public facilities for health care. These health facilities consist of hospitals, primary health care centres, health posts and sub-health posts working under the Ministry of Health and Department of Health Services.

#### *Effects of conflict and responses*

Health has not been directly targeted by either side and so the district health offices are not so badly affected. Discussions with non-government stakeholders have indicated that the environment of fear and insecurity due to the conflict has restricted access of local people to health services. Mobility constraints caused by checking, blockades and strikes has stopped patients from reaching health posts and has affected delivery of medicines to health facilities. With the migration of youth and men from villages, women have had to face greater problems. They do not have easy access to cash, other resources to reach health services are not available, too much time is required to reach these health posts/hospitals, which due to gender specific problems they cannot afford to give. In addition, they do not have the confidence or social permission to travel alone. But due to the environment of increased fear, they do not get companions to travel with them, which hinders them further. Field reports suggest an increase in anaemia and malnutrition as basic services such as drinking water have been affected, and food insecurity has increased with health consequences for women and children.

Harassment and threats by both Maoists and security forces have exacerbated the chronic lack of qualified health staff in remote communities, thus decreasing service delivery in many areas. While poor health services existed even before the insurgency and posts have been vacant for many years, this has increased due to the conflict. Donations are demanded from health workers. Maoists are taking 20-30 percent of total drugs for their purpose. The rebels are also regulating the health centres and so service providers are working in health-posts and sub-health-posts. But local health staff are fearful and not willing to go to remote health posts. Mobility for supervision is affected and there has been inadequate monitoring at all levels.

The treatment of security force people in the hospitals represents risk to staff from the rebels. Out of the nine HSSP districts, six districts have not been affected directly by the conflict. The others had to suffer incidents of vehicle confiscation, demands for registration, taxes, suspension of renovation work and delays due to frequent checking. The conflict has a major



impact on transport during the night since curfews are imposed and mobility is severely restricted.

#### *Psycho social impact*

The ongoing conflict in Nepal has manifested itself in the socio-psychological state of the society. Recent studies indicate that thirty-five percent of women are feeling depressed, sad, and unsure about the future. Men also suffer from depression and consume increasing amounts of alcohol. However, noted gender differences exist with 15 percent women expressing psychosomatic symptoms while only six percent men had done so.

Depression and feelings of fatigue and listlessness are common and prevent people from taking steps to improve their situation. Adverse psychosocial indicators seem to increase with age and with the more marginalized castes.

The hidden negative effects on health and the difficulties in accessing services have not been recognised by policy-makers. No strategic support for different districts has been developed. As stated above, effects of conflict on health has not been recognised and thus not planned for.

Conflict issues have been prioritised by GTZ and a workshop on conflict-sensitive development enabled analysis of issues in HSSP delivery. Strategies adopted include: focus on social inclusion, less focus on district headquarters, increased transparency about support/resources/activities and capacity building on conflict transformation skills of Health Management Committee members. Various Conflict Transformation and Peace-building training have been provided to project staff, health facility staff and health workers. An Emergency Preparedness Plan has been prepared.

There has been a programmatic shift to targeted intervention, directed in the interior regions of the villages. Transparency about groups and budget has increased. Co-ordination meetings with stakeholders including security forces have been implemented.

### **3.1.2 Findings Ministry of Health / Health Sector Support Programme**

Both the HSS and NHSP-IP make no reference to the current conflict in the country, even though they have been prepared after the insurgency took a violent turn. With effects of conflict increasing, it is necessary to include reference to the conflict and the negative consequences on implementation of services and reforms.

People have had to adapt their health-care seeking behaviour according to the realities of availability of the health staff, travel restrictions, access to resources for treatment and the fear of harassment.

### **3.1.3 Health Sector Conclusions**

The conflict has had a wide impact on the health sector even though the official recognition of such effects is low. There seems to be disruption in the provision of health services with the destruction of health facilities, restrictions on delivery of medicines and absence of health staff in many health posts. People have had to adapt their health-care seeking behaviour according to the realities of availability of the health staff, travel restrictions, access to resources for treatment and the fear of harassment.

The environment of fear and insecurity due to the conflict has restricted access of local people to health services. Mobility constraints caused by checking, blockades and strikes has stopped patients from reaching health posts and has affected delivery of medicines to health facilities. With the migration of youth and men from villages, women have had to face greater problems as insecurity and vulnerability has increased while access to different resources has decreased.

Field reports suggest an increase in anaemia and malnutrition as basic services such as drinking water have been affected, and food insecurity has increased with health consequences for women and children. Grievances of people who do not receive the services they expect can potentially contribute further to conflict causes. The emphasis on decentralisation supports the decision-making power of the VDC level Health Management Committee which can be considered to have potential peace-building elements since response to community level needs will be easier. But the efforts at decentralisation have also not been as effective as required.

The minimal number of staff of ethnic or Dalit identity within the health structure is reinforcing the fact that opportunities for the excluded groups are limited.

There is little recognition on the government's side of the effects of conflict on health services and the emerging need to address immediate problems of health service utilisation of the conflict affected community, psychosocial issues, curative services and orthopaedics. These realities are not reflected in any planning, responsive initiatives or budgetary allocations of HMG.

### **3.1.4 Recommendations Health Sector**

There exist many health-related studies<sup>12</sup> which provide numerous recommendations. We suggest that these should be reviewed and implemented as found necessary. In addition, the following suggestions are made for the Health Sector:

- Initiate dialogue, interaction workshops with government health agencies and present data about consequences of the conflict on health to convince policy-makers about the need to respond.
- Conduct conflict and peace-building workshops with health sector stakeholders at the district level, focusing on identifying how the conflict has affected health in the district/s and identifying methods of response.
- Commission small surveys to identify the effect of conflict on the people, using indicators that capture service access and utilisation issues, response of health staff, and psycho-social impacts.
- Support establishment of networks for emergency travel, supply of medicines, immediate medical care to patients. Ensure women, Dalits, and disadvantaged Janajati access to such assistance through better communication, group arrangements and financial support.
- Explore the creation of health emergency funds at the VDC level to improve access to health care, with specific guidelines for priority in access for women Dalit, and Janajati.
- Explore ways of responding to the psycho-social, trauma-related health problems arising out of the conflict.
- Allocate extra budget for services required as a result of the conflict. Health facilities (hospitals, health-posts and sub-health-posts) will require additional funds for beds, equipment, and human resources for provision of curative services.
- Support creation and maintenance of a caste/ethnicity desegregated profile of MOH staff.

## **3.2 Overview Rural Development Sector**

The CPN-Maoist insurgency since 1996 has greatly impacted the rural development sector in Nepal. There is constrained space for development with government presence being limited to district headquarters and almost negligible government supported development activity. Insecurity of project staff and local communities has greatly increased. Both the rebels and the security forces need to be negotiated with. Donations are requested. Mobility is restricted. Continuation of programme activities is a struggle with Maoists and security forces demanding explanations, accusing field level staff, checking materials for delivery and not

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<sup>12</sup> Various conflict and health-related studies done by NSMP/DFID, USAID, SDC/GTZ and VCDP for health of MoH ([www.moh.gov.np](http://www.moh.gov.np))

permitting the transport of goods. General meetings, mass gatherings and group meetings are not possible. Activities are somehow completed but without following the required process. Savings and credit activities and financial transactions have been affected.

Programmes that deliver tangible and broad benefits and meet immediate needs at the local level such as infrastructure, food commodities, livelihood promotion, and medicines are least disturbed. Transparency in financial matters and complete discussions about patterns of expenses have become imperative. Community people have to defend their projects. If negotiations with Maoists are successful, the project continues. Resources/activities targeted in favour of the marginalized groups and youths, involving access of the poorest/Dalits<sup>13</sup> to natural resources, delivery of goods in kinds or training on vocational skills followed by provisions for utilisation of such skills are among the preferred approach. Livelihoods of communities are decreasing, as is their ability to protect themselves from violence. Children have been badly impacted with the disappearance of parents, physical maiming, psycho-social impact, recruitment by Maoists and in accessing education and health due to a decrease in schools, teachers, health facilities and health personnel.

Male migration has led to increased vulnerability of girls and women who are overburdened and exposed to different forms of violence. Women's household and farm-related work burden has increased dramatically. They must now deal with both security forces and Maoists. Traditionally forbidden to plough fields or repair the roofs of houses, women are now taking on these tasks, both out of necessity and because of the egalitarian value system introduced by the Maoists.

People of disadvantaged caste /ethnic groups face suspicion from security forces and threats from the Maoists, if they are not Maoist sympathisers. Despite some direct change for those who have joined the Maoists and those who live in Maoist controlled areas, most non-Maoist high-caste people remain extremely resistant to the breakdown of the caste system, in particular the practice of untouchability. Indigenous people who joined the Maoists have not been able to assume high leadership positions within the movement, nor have there been visible positive changes in the livelihoods of indigenous populations. But the increased awareness of the institutionalised exclusion of women, caste and indigenous ethnic communities has encouraged people to question the status quo<sup>14</sup>.

The conflict has enabled a questioning of the lack of access to services of the socially excluded (such as women, Dalits, Janajatis) and the abuse of power through corruption, discrimination and exclusion. Positive changes in social relations are symbolic in nature (decrease in practices of polygamy, gambling, alcoholism, caste discrimination, women Maoist cadres subversion of traditional gender stereotypes) and are not yet part of the fabric of social relations. Since they are often enforced with threats of violent action the question of sustainability arises.

### **3.2.1 Conclusions Rural Development Sector**

The conflict not only causes delays and frequent disruptions of programmes, but also imposes constant threats and psychological pressure on people. However, it also has forced (I)NGOs to become more inclusive, accountable and transparent towards the local people. Only NGOs which are in close touch with local communities can continue their work. They have to maintain contacts with both sides to get approval. This is a precarious balance act, which requires openness, courage and negotiation skills.

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<sup>13</sup> Dalit means literally "the oppressed" and is a new term (adopted from the Dalit movement in India) by former "untouchable" groups in Nepal. It signals their rejection of the hierarchically organised ritual pollution embedded in the caste system and focuses on what they see as the inherent lack of justice in Hindu society.

<sup>14</sup> Adapted from Mukta S. Lama-Tamang, Sumitra M. Gurung, Dharma Swarnakar, and Sita Rana Magar. 2003. *Social Change in Conflict Areas: Assessment Report*. Prepared for UK Department for International Development (DFID) Nepal.

Partner organisations felt they have limited influence over the key actors in the conflict and that a political solution has to be found at a higher level.

In recent months, Maoists have demanded development programmes and in particular the implementing NGOs to register with their “people’s government”. This has created new obstacles and tensions since all NGOs are already registered with the government.

It has become extremely difficult to properly assess the extent to which development efforts reach their target groups. Monitoring the impact of development work has been adversely affected due to the conflict. Project and NGO staff are hesitant to go to the field as frequently as would be required. They do not stay in the villages overnight due to the risks involved, which makes it impossible to reach the more remote parts of their working areas. Also, the risk bearing capacity of individual staff differs widely, some people obviously are more anxious than others.

In the current situation, working as much as possible with locally hired staff has proven to be the best way of continuing development work in the midst of armed conflict, provided people are selected who are trusted by the community and with a good reputation of being honest and not politically involved. Since they know the social environment in which they are working and have to deal with the Maoists on a regular basis, they are better equipped to continue work at the community level than any outsiders.

Livelihood issues are of utmost importance for people in rural areas. The government service deliverance at the district level has not been functional for years now. People are in great need of services which help improve their quality of life and demand “hardware” not “software” alone but integrated into the “hardware”. Thus, development activities carried out are measured by the results they yield which have to be visible, tangible and of immediate benefit to the people. Otherwise, they do not stand a chance of finding acceptance by the local people or the Maoists who monitor closely what is going on in areas under their influence.

For some time now, the Maoists have exerted tighter control over the development sector, by allowing project activities only after questioning the relevance and transparency in terms of finance, donor support and beneficiaries. They demand from local NGOs to get registered with their local “people’s government” and pay a certain amount of the project funds to them.

Good development practice is the only way of going about this sandwich situation and contributing to conflict mitigation and peace-building in the long run. In contrast, bad development practice can contribute to suspension of activities and to fuelling the conflict.

### **3.2.2 Recommendations Rural Development Sector**

- Allow for adjustment of programmes to the needs of the target groups and be flexible about indicators and time frames.
- Projects designs have to strike a balance between “hardware” and “software” deliverance which is acceptable for local people and related to their needs.
- Enhance capacity of local NGO staff and provide practical skills/tools to deal with the pressures of their work situation, e.g. in the area of stress management, as well as negotiation and counselling skills.
- Respond to the growing requirement for relief services of internally displaced people and others directly affected by conflict (e.g. women and children). Some of the most conflict-affected areas are already food-deficit areas.
- Review existing monitoring strategies in the organisations and reflect them under conflict-related aspects (refer to the section on conflict sensitive monitoring for more details).
- Strengthen existing information management systems which effectively monitor the facts on the ground in regard to conflict dynamics.
- Support separate initiatives for direct interventions for a solution to the conflict.

### 3.3 Overview Civil Society in Nepal

The idea of civil society refers to the associational life of people and motivates them towards social, economic and political co-operation. Democratic communities require a public space, not interfered with by the state and market institutions. Without this public space, people cannot strive together to overcome their common problems. Civil society is a multitude of autonomous human associations, identities, networks and movements formed for the sake of protecting themselves from arbitrary and unjust decisions of the holders of power and wealth and promoting their rational self-interest. The term 'civil society' implies democratic dialogue and explains what democracy and development mean in different societal and cultural contexts and how they are realised at personal and public levels. The trinity of freedom, social justice and solidarity forms the core values of civil society. Dahal has defined civil society as the sum total of formal and informal organisations working in the civic space which can exert pressure for democratisation of the political society and the development process.<sup>15</sup>

There has been an ongoing, often controversial debate about the role of civil society in Nepal ever since the restoration of democracy in 1990 allowed the registration of non-governmental organisations which meanwhile represent a great portion of civil society organisations in Nepal. A policy shift of many INGOs from direct project implementation and working through the government structures to working through Nepali NGOs brought about a big rise in the number of NGOs working in Nepal. There were high expectations about their positive role in a democratic environment. Increased donor attention on one hand, and a limited capacity of those NGOs to facilitate the development services, led to amounting public criticism about their role. Frequently, NGOs were charged with being donor-driven, all Kathmandu based and organised like family businesses, incompetent, not delivering good development services, not reaching the poor, and in some cases being corrupt.

Meanwhile, the NGO sector and the civil society as a whole has grown and matured. There are many NGOs in Nepal which perform with high professional competence. Still, there is criticism of most of them being Kathmandu and urban-biased, business minded, elitist and excluding, i.e. not allowing disadvantaged groups access to their organisations.

NGOs and multilateral organisations often are perceived as being 'state-like institutions'. Many are still found to be lacking transparency and not being democratic in organisational set-up and culture. Saubhagya Shah illustrates this opinion by expressing: "In terms of organisation, power, scale and complexity, the NGO world is an alternative bureaucracy with its own hierarchies structured along the lines of nationality, class, gender, caste and race. Janus-faced, the non-government mimics rather than denies government."<sup>16</sup>

Most of the (I)NGOs working in Nepal are now affiliated with the Social Welfare Council (SWC) and have to register with the local CDO office. Presently, more than 17,000 NGOs are affiliated with the SWC. On average, their number is increasing by 15 to 20 each day.

Affiliation requires a general agreement between the (I)NGO and SWC and is based on the guiding principles laid down in the Social Organisations Registration Act, which was enacted some 18 years ago. A special 3-partied agreement between INGO, SWC and NNGO has to be approved before work can start. Whilst general agreements with INGOs usually are made for a 5-year period, the time-frames for project agreements can vary from 2 to 5 years, according to specific requirements. Presently, it takes a minimum of about 2 ½ months time to get a project agreement approved. An amendment of the SORA has been drafted and still requires approval from the parliament, which cannot be obtained because parliament was dissolved in 2002. Once the amendment is passed, all INGOs will have to get affiliated with SWC.<sup>17</sup>

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<sup>15</sup> Dahal, Dev Raj: Civil Society in Nepal. Kathmandu 2001

<sup>16</sup> Shah, Saubhagya: From Evil State to Civil Society, page 140

<sup>17</sup> Interview with Durga Bhattarai, SWC Kathmandu, 25 November 2004

Civil society as a whole ought to play a significant role in contemporary Nepal, in particular in an ever deteriorating political climate, and be in the forefront of safeguarding the civil liberties gained in the course of the restoration of democracy in 1990. However, the current conflict has badly affected, and, to some extent, silenced and immobilised civic actors. In recent years, human rights activists, lawyers, development workers and journalists have been targeted by both sides, government and Maoists. Hundreds have been arrested and tortured, many were abducted or disappeared and many got killed. This has created a situation wherein it takes a lot of courage to advocate for democracy, rule of law, and peace or to continue development work with commitment.<sup>18</sup>

Many civil society organisations, e.g. human rights organisations, student or trade unions, are affiliated with political parties which compromise their ability to remain impartial and non-involved with party politics. Being affiliated also often means that such organisations may become involved in conflict, whether they admit to it or not.

### **3.3.1 Conclusions Civil Society**

An environment of fear has crept in and almost immobilised the civil society. Severe restrictions of civil liberties have impacted and silenced the civil society to various degrees. A mass movement against the massive human rights violations committed by security forces and Maoists has not yet started because people are scared of retribution. The anti-terrorist ordinance TADO has made it possible for the security forces to arrest and detain any person under suspicion of being a Maoist for up to one year without prior notice to the judiciary system. And the Maoists are also known for the brutality with which they silence critical voices. This limits civil society efforts to peace and conflict-related topics and human rights issues.

Some partner organisations are better equipped to take an active role in peace-building than others and have been successfully mediating between the local stakeholders. At the regional level, networks and co-ordinating committees have been formed to strengthen their own safety. Still, they are in fear of their own safety.

### **3.3.2 Recommendations related to Civil Society**

- Continue support for capacity building and organisational development of civil society organisations which contribute to peace-building, including mediation capacities and the ability to analyse unintended effects of their work.
- Support existing management capacities by training and capacity-building so that the organisation is empowered to handle also larger demands on their services and to manage budgets and projects efficiently.
- Provide organisational capacity building for different phases of project management, e.g. planning procedures, monitoring and evaluation systems.
- Provide financial support for the salaries of core staff members; the specific number of supported staff should be discussed with the organisation.
- Support public relations, documentation and analytical work of the partner organisation by providing technical assistance through on-the-job-training for staff.
- Provide separate funds for specific peace-building/advocacy initiatives.
- Support grassroots level initiatives for building relationships between the rebels, local community and the security forces.
- Encourage organisations to develop an alliance that can do social mobilisation work at the VDC level for peace (e.g. women's groups, peace-building groups talking with the rebels and the security forces to negotiate space for local peace) and build that up to the district and national levels.

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<sup>18</sup> In October 2004 HMGN announced amendments to its anti-terrorist ordinance TADO, which allow the security forces to arrest and detain any person suspected of Maoist activities for up to one year.

### 3.4 Overview Private Business Sector

One of the main business sectors of Nepal, tourism, has been hit very hard by the ongoing conflict. The decrease of financial inputs from tourists and the limited numbers of customers for typical handicraft products, often produced in rural areas and sold to tourists there or in the capital, is only one example of the negative impact on the national economy. Investors focus on safe production facilities in India or Mexico, especially for the handicraft production. Confidence of investors or large traders in the Nepalese market and economy has been reduced, and the conflict hinders the distribution of goods and affects the reliability of Nepal-based services.

The decline of the economy, business and income activities leads to less access to health and public services for the population. Low wages diminish the potential for even the economically active part of the population and hinder the creation of a national customer market. Children often leave school at the age of 14 because they cannot afford a longer education. As there is no formal job-education system, they are forced to work as cheap labourers in factories or to look for work abroad, mostly in the Gulf countries, where working conditions do not extend to the basic standards for security or health protection. Skilled workers from India take over the better-paid jobs in the Nepalese industry or production business in the more industrialised regions like Kathmandu or Butwal. The legal situation of workers in Nepal is, compared to international standards, very weak. Labour contracts are replaced by so-called "work-letters", a legally invalid agreement that holds the workers as property of the employer without regards to their basic rights. Although the IMF is putting pressure on the Nepalese government to change the labour laws, there has not yet been a reaction to improve the situation.

Child labour is increasing as many families flee the rural areas and join the larger cities to look for shelter from the repression of the conflict parties. The problem of internally displaced persons who are looking for ways to survive economically has a destabilising effect on the weak local economy. The ongoing urbanisation as a result of the conflict and the growth of an informal economy are also the results of a missing economic strategy that would deal with the current situation.

Bonded labour is still an ongoing problem in Nepal although the government has forbidden the practice. But the bonded labourers, in the majority not individuals but whole families, do not have the chance to find legal work because they simply have no education or job-relevant skills to survive in the formal economy. As their family members are also bonded and as long as there is no support from the government, they are forced to look for support from their "owners" to prevent their families from starvation.

The trade union movement is weak and, because of the close affiliation to the political parties, split up into several wings of sector-related representations. The existing intentions to create a National Trade Union have not yet been successful, and it is questionable if under the difficult political situation it will be possible in the near future.

As there is a decrease of economy in the classical sectors, some new sectors have arisen, like the security business, dealing directly with the negative impacts of the conflicts. There is a strong tendency to privatise public services because the government services are inadequate. Some business persons have gained access to the Maoists areas and deliver needed goods; they could be seen as winners of the conflict.

The representation of the business community is shared between the two major national federations in Nepal: the FNCSI (Federation of Nepalese Cottage and Small Industries) and the FNCCI (Federation of Nepalese Chambers of Commerce and Industry), which has far more recognition nationally and internationally. The FNCCI represents more than 88 chambers of commerce in 71 districts of the country, each chamber autonomous and with its own organisational set-up. As a service provider for entrepreneurs, membership in the chambers is seen as a privilege and an opportunity for strengthening business contacts. The



main areas of engagement of the chambers are the promotion of the business interests of their members, the support of the local economy and partnership with the local administration to promote economic development. This turns them into favourite targets of the Maoists rebels.

All actors of the business sector, workers, trade-unions, chambers and employers have in common that they get involved in the conflict unwillingly. The son of a CCI-member was shot in a cross-fire, the chambers have been threatened by the Maoists, workers have been killed because they were trapped in fighting between Maoists and security forces, and trade unions and their members suffer from repression from both sides of the conflict. Between 200 and 300 workers, organised in the union movement, have been killed since the insurgency began in 1996. The effects of the conflict on trade unions are similar to those affecting the business sector: less jobs, lower wages, mobility constraints, extortion threats, and insecurity because of Maoists attacks.

The business community suffers from the revolutionary tax system, implanted by the rebels, and sees themselves confronted with the reality of being double-taxed by the government and the Maoists. So far, the victims have been dealing with these problems individually. It was stated in the interviews that payments to Maoists are a regular practice and that repression and even death threats are common, but there were no joint efforts undertaken that could have led to a change of that situation. Everybody fears the consequences of being the next victim of Maoist repression.

Depending on the situation, some informal dialogue between the business community and the Maoists takes place. Trade fairs have been accepted by the Maoists, and they set the framework under which business takes place in the regions which they control. Problems arise when there is a change in the local command and former agreements with Maoists or the army have to be negotiated again.

Instead of co-ordinating activities, the atmosphere between the chambers and trade unions is tense and more conflictive than constructive, and the needs of their members are divergent and therefore support for finding common ground is substantial.

### **3.4.1 Effects of conflict and responses**

The steady pressure and the menaces against members of the business community have changed the atmosphere in which the economic activities actually take place. Distrust and the behaviour to keep the information of one's own business secret affects the necessary communication for successful economic interactions. The small and middle industries are most affected by the armed conflict, they have very limited resources to persist in an economic crisis. Because of the conflict, businesspeople have less income and problems to pay back their loans. Double taxation to the government and to the Maoists is common, in some rural areas the rebels have forced the population to even register their vehicles with them and to pay an additional traffic tax. While carrying out trade fairs or exhibitions, Maoists also collect donations and gain profits. The urban Kathmandu based organisations/individuals experience limited direct effects. They are often looking for new export markets and diversifying their products. Constrained market opportunities, problems of raw materials procurement, disruption of production schedules, reduced interactions between producers and entrepreneurs, increased hidden costs of products, decreased risk-taking abilities of businesses, reduced competitiveness in international market, and decreased contribution of donors to business are some of the effects of conflict suffered by the enterprises. Partly the business community faces serious threats up to direct physical aggression if an entrepreneur is not willing to pay the "revolutionary tax" or in case of any resistance to the Maoists demands. The members of the business community have to deal individually with this situation, there is no joint strategy or response to the threats. The situation is in a constant change, therefore a long-term planning for individual business activities is nearly made impossible. Some activities of business organisations had to be cancelled because of strikes and travel restrictions

imposed by the Maoist rebels. The restrictions of the free movement of people and goods is one of the main obstacles for the economy.

These examples show the sometimes peculiar relationship between economical sector and Maoists. The curfews, imposed by the security forces, do not result in an increasing security, on the contrary the absence of military is used by criminal elements to practice their activities at night.

Business organisations see themselves not as adequate institutions to work on the conflict topic or to get involved politically into it. They see a potential to mitigate the conflict in the support for disadvantaged and discriminated social or ethnic groups, but this can only be done on a long term commitment and will not have immediate effects. If the focus shifts to an increasing support for small and local business activities, business organisations can possibly become a connector. As the government is not responding to the conflict, the international community is seen as the only actor who will be able to put pressure on the stakeholders of conflict to enter into peace talks.

### **3.4.2 Conclusions Business Sector**

Unofficially, the conflict has been recognised in the existing cooperation as the chamber activities and project execution suffer from the increasing insurgency. The question is whether the chamber can fulfil its designated role as a service agency under the current conditions without rethinking the structure of its services. The conflict seems to hinder activities, and, in fact, it does. But a certain flexibility is needed to react to the changing situation. The chambers have provided professional services to its members and non-members in the past and proved to be prepared to respond to changing environments. This capacity should be taken into account while thinking about possible responses to the conflict; what is missing is a professional approach about how the business community can be supported in a conflict situation. A major problem of the situation in Nepal is the serious uncertainty about the development of the conflict: will it continue on a low or middle level for a long time, will there be a cease-fire or peace-talks or will there be an escalation of the fighting.

In some cases, the business promotion programmes for women are orientated along "typical" women activities like knitting and sewing. To provide further benefit to the target groups, the design of the respective programmes should be revised to provide a wider assistance to female entrepreneurs.

Refugees require support and IDPs need skill development and small income generating activities interventions, but planned in a holistic and integrated manner.

The population regards the activities of the business community with a mixture of distrust and envy. In Nepal, business sometimes is typically linked with bribery and exploitation of workers, and not with the idea of social commitment or development. But apart from this judgement, the chambers work with a strong contribution to social activities.

Members underline the fact that the chambers as associations of the business community show their social responsibility and implement community orientated activities. In Baglung, the respective CCI is focusing its social activities on the support for refugees from nearby conflict areas, although this support would generate a conflict with the Maoist rebels who define refugees as people who deny the support for their revolutionary movement. Nevertheless, these kinds of activities can be seen as proof of the social commitment of the chamber movement.

#### *Conflict sensitivity*

It is important to mention that the chambers of commerce or other businesses generally do not have a specific mandate to work on or around the conflict. It is the ongoing insurgency

that creates the necessity for these organisations to deal with topics that generally do not touch the focus of their work. In the same way as in other sectors of civil society, experience with procedures or tools of conflict management is rather new, and there is hardly any experience in the business sector.

Often, analysis of the business environment is done without reference to conflict. Specific tools to analyse the conflict situation and its implications on the economy have not yet been made accessible. Some conflict awareness does exist because the business community is directly affected by the insurgency and the threats of the Maoists, but the approach of the chamber/business houses does not always reflect to the needs of the current situation.

### **3.4.3 Recommendations Business Sector**

- Provide training / education in business-related PCIA, thus to improve in coherence with the QM-system the capacity to provide professional services. Training needs should be elaborated with chamber representatives to refer activities closer to the local context and needs.
- Adapt the analytical frame of the Global Compact Business Guide for Conflict Impact Assessment and Risk Management and train business community and chamber executives in the approaches.
- Promote the use of the professional chamber infrastructure for peace and conflict-related activities and provide backing for the chambers through respective activities like roundtables or discussion forums.
- Elaborate and implement a quality standard system for the non-factory-products.
- Support strategies to bring together the representatives of chambers and trade unions to explore possibilities for combined peace efforts. German partner organisations should use its role to act as a mediator between both actors to reduce existing conflict potentials.
- Intensify the collaboration with other donor organisations to create possible strategic alliances for peace-building.
- Diversification of gender work is needed:
  - o Women entrepreneurs need to be supported throughout the enterprise cycle. They require interventions to assist them in setting up businesses and also require facilitation to address the various discriminatory practices prevalent in the market.
  - o Different levels of training in gender and business are necessary, not just for the women entrepreneurs, but also for the male business community members.
  - o Policy level lobbying is required for gender sensitive regulations/procedures. The current handling of women in business can be improved through a broader approach.

## 4 General Conclusions

Findings from group interactions and interviews suggest that the conflict over time has crept into most spheres of life and has made the present situation more difficult and unpredictable. Nowadays, development work has become a high-risk profession, in particular to those who work in rural areas. All partner organisations that were visited have been affected by the conflict in various ways and their coping strategies also differ considerably. This needs to be recognised and addressed by the commissioning agencies in order to find appropriate ways of dealing with this situation now and in the future.

People interviewed were pessimistic about the possibility of finding an entry point for a peaceful resolution of the present conflict soon. Rather, they anticipate the war to continue for some time to come and that things might even get worse. Unlike last year, when cease-fire and peace talks brought up fresh hopes for peace, people in Nepal now have little hope for a negotiated and peaceful settlement of the conflict in the near future. Overall, the situation has become less predictable than last year, and the situation in rural areas has further deteriorated as fighting and killing continues.

Development and human rights work have become high risk professions and special provisions have to be made to assure the safety of workers. Good development practice is the best protection of project staff in the current situation. Any project work or field activity needs to be transparent, visible and yield tangible results to find acceptance with local people whose livelihood needs have been badly ignored/violated in the past years.

All partner organisations – whether they are involved in health, development, advocacy, human rights work or in business have had encounters with Maoists. Most of them realise the need to establish and maintain contact with both sides in order to be able to continue what they are doing in the current situation. Since no development work can be implemented in any manner without getting prior consent from the government and Maoists alike, it is important to keep both communication lines open. Since a good rapport with government authorities is very much a matter of building personal relationships based on trust, it is of great importance to work as much with and through local staff as possible.

Most of the partner organisations expressed that they do not have direct influence on the warring parties and thus can do very little to resolve the crisis and bring peace back to the country. Peace-building requires putting pressure on the government and the Maoists to go back to the negotiation table. Networks and joint peace activities supported by all sectors at a national level are very important to build up that pressure. Some of the NGOs working at the district level have also started forming networks which advocate peace and help protect staff in an increasingly risky environment. Donor support requires these kinds of efforts.

## 5 General Recommendations

Findings from the study underline the importance of continued support of the partner organisations in Nepal at this critical point of time. Withdrawal would be the wrong message as it might further weaken those segments of the Nepali society which still adhere to and advocate democratic values and work towards conflict resolution and peace-building. It would deprive the really needy local people of the support they require.

The realities of today's conflict affecting Nepal dictate two options for support:

a) Improve the manner of delivery of projects/programmes and benefits to people through the ongoing mandates of development projects/business interventions.

b) Work pro-actively for peace-building, exploring openings for increasing pressure on the warring parties for a settlement of the conflict.

These are explained briefly below:

*a) Support improved implementation practices/real benefits to the local community:*

- Support such development and business initiatives which genuinely reach the people and provide options for sustainable livelihoods. Actively ensure that benefits reach the community people and that intermediary organisations do deliver on the promises made to communities; that the support provided is substantial enough to bring some shifts in the lives of the people and is not more of the ineffective aid that has contributed to the grievance base for the ongoing conflict.
- Continue support of organisational development of partner organisations in order to strengthen their work on principles of good development practice and enhance their capacity to analyse, monitor and respond to the conflict dynamics, e.g. through training in conflict analysis linked to their work realities and design of strategies based on such concrete analysis.
- Allow for flexible arrangements in terms of delays of programme implementation and necessary readjustments due to the conflict. Since planning of funding and work in conflict often do not fit together, more flexibility of the donors is needed. But this has to be balanced with results so that “process” is not used as an excuse not to deliver benefits to the people.
- Monitor programmes/projects in terms of their addressing root causes of conflict.
- Extend donor co-ordination to their general development practice and not limited to matters of conflict.
- Increase accountability and transparency of donors to the Nepali people, not only to their own governments.

*b) Support pro-active peace-building:*

- Provide separate funds for specific peace-building or advocacy initiatives.
- Invest in capacity building of human rights activists for responding to mediation-related cases, trauma cases, and other counselling needs and support the exploration of ways about how to respond to the psycho-social and trauma problems caused by the conflict. Create a group of trainers who can effectively provide counselling to traumatised people at the local levels. Support a holistic approach so that services through these trained human resources reaches the community women and men.
- Allocate extra budgets for relief services to internally displaced people and for other services required as a result of the conflict.
- Support small surveys to identify the effects of conflict on the people.
- Use existing structures and networks in Germany to inform the German public about the problems of the civic population in rural Nepal in terms of building up international pressure on conflict parties in order to negotiate a peaceful solution of the political crisis.
- German funded NGOs should receive information about conflict and peace-related initiatives undertaken by different partner organisations.

### 5.1 Criteria for the Selection of Partners

The TOR required the study team to identify criteria for the selection of partners. The criteria presented here have not yet been adopted by the commissioning agencies but present suggestions of the study group. Certain points, which can support this selection, are identified below. These criteria can be grouped into three areas:

- Ability to work in conflict-affected areas
- Institutional structures, processes and approaches, manner of delivery of interventions
- Understanding, skills, and competency related to peace and conflict work

#### Ability to Work in Conflict-affected Areas

*Organisations which can ...*

- Maintain regular dialogue with the Maoist rebels and the security forces at the district and village level; keep a neutral profile, and do not pursue any activities beyond their mandate, which can compromise their neutrality in conflict.
- Implement projects with sustainable results and wide coverage and be able to integrate "software" inputs within the direct delivery intervention.
- Address local needs with staff/motivators/facilitators from the same community which are connected to the local situation; understand the dynamics of the insurgent group and be accountable to the communities.
- Maintain staff consistency in their programmes as well as positive behaviour and attitudes towards the community and the local stakeholders of the conflict.
- Regularly review the security situation, political changes, and the perception of the stakeholders about NGO's and donors, and be willing to adapt strategies accordingly.

#### Institutional Structures, Processes and Approaches

*Organisations which can ...*

- Provide benefits to the communities, be transparent and accountable, be effective in service delivery.
- Position the community as the key actor and at the centre of all activities / implementation process for development projects.
- Demonstrate through their working practices, organisational norms, and staff profile that they are addressing caste and gender-based discrimination within themselves (i.e. "walking the talk").
- Allocate resources so that the maximum benefits reach the community women and men. Work without a number of intermediaries between the donor funding and the community people.

#### Understanding, Skills, and Competency related to Peace and Conflict Work

Organisations that have the ability and willingness to adopt specific conflict-related methods and instruments to analyse their own conflict sensitivity:

Structure for the analysis of organisational conflict-sensitivity	
Conflict sensitivity can be defined as the awareness and analysis of the intended and unintended impacts of the organisation's work.	
- Analysis	Conflict and project environment; identification of local stakeholders; possible conflict potentials and social structure of the community; level of access to stakeholders and intervention.
-Planning/Execution	Planning with indicators based on the results of the analysis; approach and methods adapted to the local / sector situation; work addressing the adequate target group; guaranteeing the participation of target group in planning activities.

- Impact Monitoring:	Revision of the results of work (after 1/2 year, 1 year); what kind of problems arise; success of the project; documentation of the intended and unintended impacts of the work; level of acceptance and confidence; level of participation of the target group in project execution and analysis;
- Readjustment of Planning:	Changes to be made; effects; further needs of target group, surrounding actors?

**A second relevant tool for the selection of new partners and also for project planning with existing partner organisations is also provided by the IOM-oriented checklist:**

### 1. Mission

- What is the mission of the organisation?

### 2. Outputs / Results

- Which instruments are used to enable that the expected effects of the work will occur?
- How does the organisation see the impact of their work on social communication, conflict mitigation and the reduction of violence (e.g. promoting tolerance, participation, culture of peace ...)?
- In which specific ways can the organisation contribute to fostering a culture of peace?

### 3. Inputs

#### 3.1 Recruitment and Selection of Human Resources

- How is diversity in terms of gender, ethnicity, and caste encouraged within the organisation? With which results?
- What does the organisation do to reduce the hindrance for women and persons from disadvantaged ethnic groups from applying?

#### 3.2 Financial/Material Inputs

- How extended is the budget for risk management policy and conflict expertise within the organisation (in %)?
- Which existing or planned investments in organisational development exist?

### 4. External Relations

#### 4.1 The Specific Environment (ACTORS):

- Which contacts does the organisation have with local, regional, and/or (inter)national networks or service organisations?
- From the organisation's point of view, how should networking in a conflict context be designed?

### 5. External Factors

#### The General Environment of an Organisation (FACTORS):

- How do staff members fulfil their tasks in the current conflict situation?
- Who are the local winners of the conflict? In what way do they gain from the ongoing situation?
- What is the level of support for the project from the local population and authorities?
- Whom does the organisation consider the main stakeholders in the conflict?

## **6. Strategy**

### **6.1 Strategy with Target Groups**

- Is there an explicit conflict/risk management strategy focused on target groups in place and is it designed considering the do-no-harm approach?
- Which opportunities or starting points do they see in managing the conflict or diminishing its violent potential?
- What access does the organisation have to key players in the conflict/on the different levels of society (tracks 1-3)?
- In what way is the relationship that the organisation has with the target groups based on an adequate analysis of their different roles, needs, and interests in the current conflict situation?
- How does the organisation identify the target groups?
- How does the organisation proceed with the results of conflict analysis?
- Which results are relevant for the organisation?
- How does the organisation cope with the aspect of sustainability of their work?

### **6.2 Strategy: Personnel**

- Does the organisation have an explicit conflict/risk management policy?
  - Is there any emergency plan in place?
  - Risk management unit?
  - Do they get additional training to cope with stress and unforeseen conflict-related issues/events?

## **7. Systems, Processes and Structures**

- In what specific ways do systems and processes of the organisation respond to the present conflict situation?
- Does the organisation work with a specific monitoring and evaluation system? Are the objectives and indicators formulated sufficiently in a conflict-sensitive way?
- Which structural provisions must be in place to build up/strengthen conflict-sensitivity within the organisation?

## **8. Staff and Management**

- Internal training/on the job training: those who teach/train, are they trained in conflict-sensitive analysis?
- Where does the organisation see a need for education/training?

## **5.2 Conflict-sensitive Monitoring**

The level of monitoring for commissioning agencies and their partner organisations varies depending on the type and kind of support provided. The commissioning organisations require reviewing and revising the existing M&E systems and formats with each of their partners. A suggestion for a basic monitoring system, adapted to the conflict conditions in Nepal, is given below.<sup>19</sup>

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<sup>19</sup> It is not the intention of the described model to add another theoretical approach to the various still existing tools for conflict analysis. The idea is to give some additional hints about how aspects of the existing models could be integrated into the daily project work by establishing a simple monitoring system to measure the relationship between conflict and project.



## **I. Introduction**

The monitoring process should enable the organisation to gain information about their work and therefore give them a benefit instead of putting another bureaucratic burden on the organisation's agenda. Simply said, monitoring should facilitate the control of the project, not complicate it. Most of the partner organisations do not have the capacity to precede with highly diversified monitoring systems, so the procedure of information gathering and evaluation should be designed simply and less time-consuming and effective as possible. The commissioning organisations should not think in terms of which partners to monitor, but in how far such a system can be designed together with them as a mutual and participatory approach which also includes information sharing and exchange between commissioning organisations and partner organisations.

In the given context, monitoring describes the active collection, verification and use of information to address the consequences of conflict-related activities in the project. The process includes gathering information about incidents, observing events (workshops, campaigns, demonstrations, etc.), visiting project sites and discussions with key persons. In addition, monitoring has a temporal quality in that it generally takes place over a defined period of time, mostly during the implementation phase of the respective project. Monitoring needs objectives and indicators as well as the assignment of responsibilities in a team. Through the creation of specific monitoring units or staff in the partner organisations, responsibilities can be handed over to a person or a team who will deal with data collection, evaluation and reporting. Before proceeding with monitoring, basic training should be provided through the commissioning organisations to their partners (one-day seminars or training). An assessment of already existing monitoring approaches in the partner organisation should be carried out. Based on this analysis, further steps can be taken to monitor impact on the conflict or the outcome of conflict-related activities.

The result of the monitoring process should give some characteristic information about the course of the project and the intended and unintended consequences of it. Monitoring should generate current statements and information about the project status and make possible readjustments in a complex and steadily changing project environment in the given context which is mainly caused by the conflict.

## **II. Model for Impact Monitoring**

To measure the relationship between project and conflict, several steps have to be taken to achieve nearly reliable information of the intended and unintended effects. In most cases, the impact on the conflict can be measured in a way that it could be quantified or qualified through a monitoring system; the state of the conflict can be classified and the project activities can be analysed to see if they are adapted to the given situation.

As most existing models for impact monitoring focus on the collection of qualitative data, the given model will provide a tool to monitor quantitative data directly related to the conflict situation and project activities.

The model consists of the following components and procedures:

Step 1. Analysis of the current conflict situation related to the project

Step 2. Quantification of impact of the conflict on the project

- Listing of conflict-related incidents
- Qualifying the incidents into categories
- Graphic description of the quantified data

Step 3. Analysis of the project's impact on the conflict

- On behalf of the generated information from step 1 and 2
- Focused on project activities and not on the organisation as a whole
- Listing and qualification of conflict-related indicators into categories
- Graphic description of the quantified data

Step 4. Datasheet (report to commissioning organisation)

The efficiency of the system is mainly related to the quality of the information gathered; therefore, some basic procedures are required to handle the system in an efficient manner:

- Formal and informal interviews with members and non-members of the target group, key persons from other organisations, and, if available, stakeholders of the conflict.
- Information sharing with other organisations, basically those working in the same region / community or sector
- A certain regularity in the process of documentation is needed. It is sometimes a difficult task in a conflict situation where the changing environment hampers the execution of planned activities and the regular workflow.
- Cross-checking of information is necessary to validate and prove reliability of the content.
- Information gathering through participatory approaches like workshops or joint meetings facilitates the process of confidence-building and leads to more reliable information.

## **Methodology**

When we define the monitoring system as a mutual process between donor and partner organisation, the different steps should first be designed together in a workshop or several work meetings, whereas it seems important that also members of the target group(s) could participate in these events. The time necessary for the elaboration depends on the experience and existing monitoring activities of the partner organisation. While conducting a workshop, two days should be considered as an appropriate time to elaborate the different steps of the model. For the indicator-finding, a participatory tool like ZOPP could be meaningful to consolidate the ownership of the partner organisation in the further monitoring process.

### **Step 1. Analysis of the Current Conflict Situation related to the Project**

Related to the specific conflict situation in Nepal, the following aspects will provide a basic guideline for the analysis of the environment of the conflict in Nepal, but could also serve as local level analysis:

- Access for the population or target group to basic resources and services for rural population
- Economic exclusion / inclusion and opportunities to improve livelihood conditions
- Access and exclusion / inclusion from political decision-making and power
- Divisions between Terai / Madhesi (plains) and Parbatiya (hills) people
- Divisions between rural and urban centres and its economic implications
- Migration and situation of internally displaced persons
- Discrimination based on language, religion, caste and gender
- Legal discrimination (laws) and constitutional situation
- Issues of governance (corruption, decentralisation, party affiliation)

Depending on the focus of project activities (national, e.g. awareness-raising campaign through the media and peace rallies; local, e.g. income-generating activities for community members), the sector-related or regional conflict analysis is mainly bounded to the situation of the target group(s) of the project. It should intend to identify the conflict situation in the environment where the project activities take place. The description should answer the question about why the specific measures are taken and what change is expected from the activities. Some leading questions may help to understand and analyse the conflict situation:

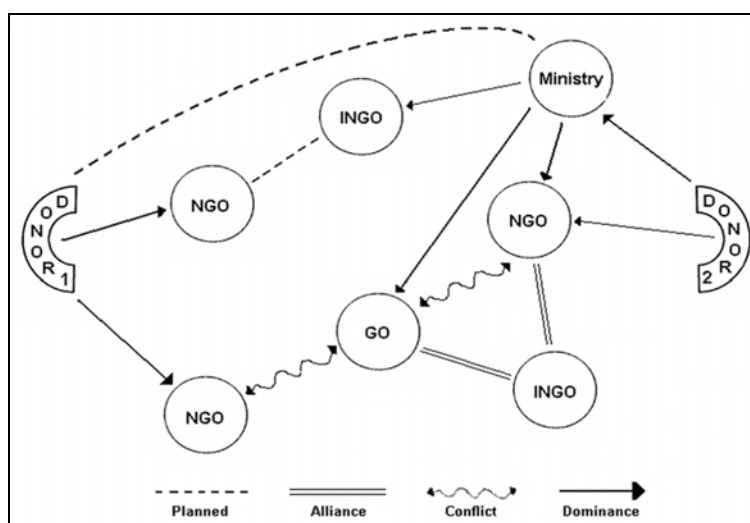
- Who are the main (local) stakeholders in the conflict?
- What are their positions and interests and what capability do they have to influence the conflict dynamics positively or negatively?
- Which peace-relevant activities already exist? Where could there be a potential to cooperate with other partners or organisations in the region / community?
- In how far is the region / community or the sector affected by the conflict?
- Security situation and access to the target group(s) in the region / community or sector

- Priority settings: Is the intervention through the project adapted? Does it respond to the needs of the situation?

As a common method, conflict mapping can be used to work out the different actors, their positions and their relationship in the local conflict context (or even in a specific sector). The position of the partner organisation and the target group(s) can be added for a first analysis of whether an intervention may cause problems or conflicts for the target group. The different actors or key persons can be identified with the help of a table, which also lists their different roles:

Actor, Organisation, etc.	Positive influence on the conflict (connector)	Negative influence on the conflict (divider)	Risk for the project	Supportive for the project
...	...	...	...	...

Based on this evaluation, the graphic description - or mapping - of the local or sector-wise conflict situation and the engaged actors can be drawn.



Example for conflict mapping

## Step 2. Measuring the Impact of the Conflict on the Project

This step is characterised by constant information gathering on how the project environment changed and which consequences the conflict has on the implementation of the project. This can be done by drawing a simple time-line, and listing important incidents (e. g. threats to the staff, negotiations with stakeholders, change of legislation, etc.). The events can be classified into different categories to identify the impact on the project activities.

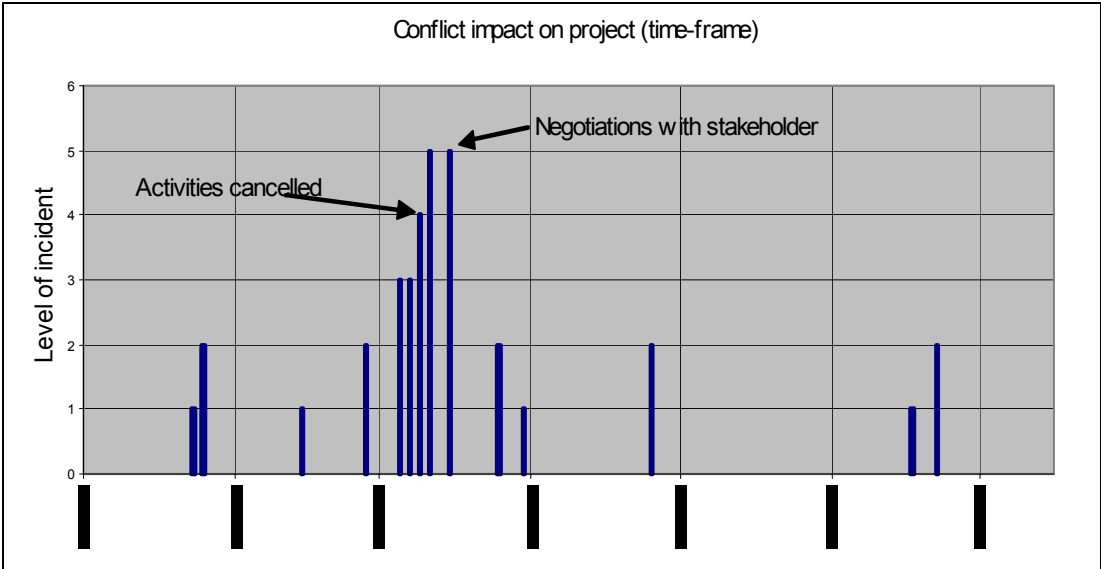
- Objective: To monitor the impact of the conflict on the project activities
- Indicator: Classified incidents related to the conflict
- Variables: Intensity of incidents; Number of incidents over a certain period of time

ID	Classification
0	Project implementation according to planning
1	Incident not harming the project implementation
2	Incident slightly harming the project implementation, but not endangering it
3	Incident harming the project implementation; Project activities delayed
4	Incident endangering the project implementation; Project activities cancelled
5	Project implementation no longer possible; Project stopped

Regular checks are made every 1<sup>st</sup> and 15<sup>th</sup> of a month, so in the case of a project without any conflict-related incidents to report, at least 24 checks will be documented. The following table will give an example about how the documentation and classification of conflict-incidents can be recorded:

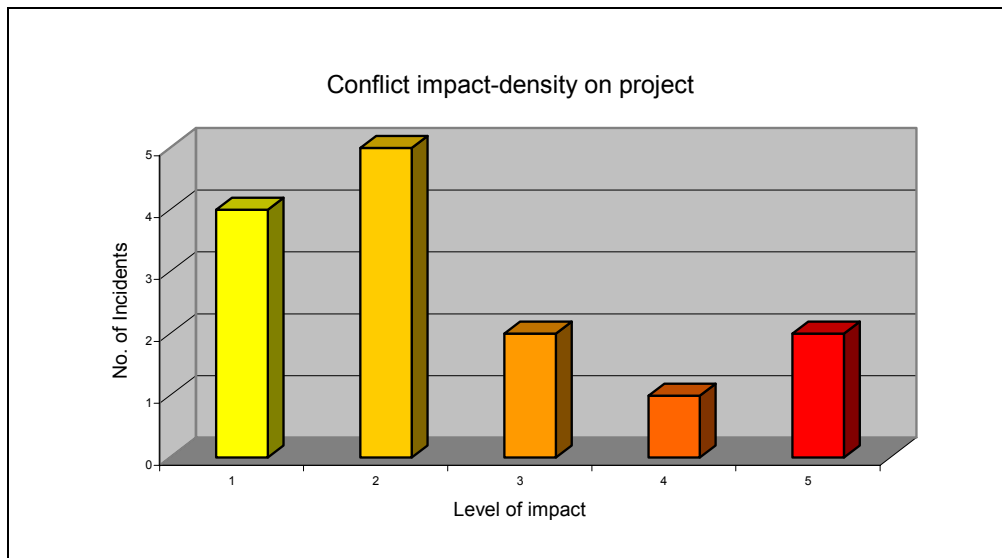
Date	Level	Incident
01 Jan	0	Project starts
15 Jan	0	Project activities continue
23 Jan	1	Staff member harassed by security forces
25 Jan	2	Transport of material was checked for 5 hours by army
01 Feb	0	Project activities continue
14 Feb	1	Maoists showed up at project site
15 Feb	0	Project activities continue
27 Feb	2	Maoists discussed with staff members and asked for donation
01 Mar	0	Project activities continue
05 Mar	3	Maoists showed up again; workshop was cancelled by Maoists
07 Mar	3	Maoists threatened local staff
09 Mar	4	Maoists entered community; activities could not go on
11 Mar	5	Local staff refused to continue because of Maoists threats
15 Mar	5	Project activities could not continue
25 Mar	2	Negotiations with Maoist commander
30 Mar	1	Project activities could continue after negotiations; visit of Maoists
01 Apr	0	Project activities continue

This information can be visualised through a simple time-incident diagram to generate an overview of how conflict affected the project activities over a certain period of time:<sup>20</sup>



<sup>20</sup> Technically, the collection and visualization of information can be done with a simple calculation table software (e.g. Excel) or with a more sophisticated database application (e.g. Microsoft Access), depending on the IT-capacities of the staff. A short investigation of the existing capacities would be necessary to determine the technical procedures.

The general conflict environment of project activities can additionally be displayed in a second chart in which the level and number of incidents is displayed for the same period of time:



Apart from the information about how the conflict affected the project, a first conclusion regarding the impact *on* the conflict can be drawn from this data. When access to the target group is hindered or project activities had to be cancelled, no considerable effect on the conflict situation can be expected. A project with a high impact-density may not be successful in terms of conflict mitigation or peace-building. To draw such a conclusion, both the time-frame of incidents and the impact-density must be compared to each other. Furthermore, cross-checking with reported achieved goals of the project is possible through a comparison of the project's environment and the reported activities. Certainly, this contains the possibility of a higher control of partner activities and should be handled carefully as it could possibly damage the trusted cooperation.

### Step 3. Analysis and Evaluation of Impact of the Project on the Conflict

As step 1 and 2 have analysed the impact of the conflict on the project, step 3 is going to evaluate the effects of the project and its activities on the conflict. There is an inevitable necessity to differentiate between projects and organisations that explicitly claim to work *on* the conflict and organisations that just work *in* the conflict. Less than monitoring the organisation as a whole, the process should focus on specific activities related to the conflict situation. Thus, instead of monitoring and assessing the whole organisation, it would be more evident to measure the impact of these specific activities on the target group or conflict-related situation.

- Objective: To monitor the impact of project activities on the conflict
- Indicator: Indicators in each case defined in relation to the project activities
- Variables: Classified indicators for impact-measuring

The analysis of the impact on the conflict can only be done through a more complex framework with defined indicators, activities, and outcomes. Here, like in the conflict-impact analysis, the process should be carried out according to the information needs of both partners. Some basic questions shall support the process:

- What is the position of the target group(s) of the project regarding the conflict?
- What is the position and opinion of the organisation / staff members concerning the conflict?
- What are the main objectives of the intervention in the project and in how far has the conflict been influenced by the project design?

- Which existing approaches for monitoring exist in the partner organisation? Are these participatory approaches? In how far is the target group involved in existing monitoring processes?

While collecting and analysing the data, a segregation of the information is necessary. Although this could lead to a higher complexity in the system, some of the following recommendations should be taken into account to guarantee an inclusive approach to the data:

- Assess implications of project activities and processes on conflict and peace factors and those factors on the project activities.
- The data should be desegregated by age, sex, caste and ethnicity.
- All labour, access and decision-making issues created by the project should be assessed for their gender, caste and ethnic differential impact on women and men, boys and girls from different social groups.
- A review should be conducted of the relevant national policy and programmes, partner organisations, and community groups from a social inclusion perspective.

Indicator finding and verification of impacts:

One of the most difficult tasks even for experts is the formulation of indicators for a structured analysis. Nevertheless, an easy way of identifying indicators is a step-by-step question-based approach, beginning with the activities of the project:

Activities	Expected results
1. Workshops for peace-building	1. Structures have been created for peaceful conflict resolution in communities.
1.1 . . .	1.1 . . .
2. Information campaign on human rights	2. Target group is aware of the necessity for HR defence and knows the legal structures.
2.2 . . .	. . .

The next step leads to the identification of indicators:

Expected results	Indicators
1. Structures have been created for peaceful conflict resolution in communities.	1. A conflict resolution committee exists in every trained community and meets weekly.
1.1 . . .	1.1 . . .
2. Target group is aware of the necessity for HR defence and knows the legal structures.	2. In every target community there is one male and one female HR responsible for legal assistance.
2.2 . . .	. . .

As the indicators are defined, they have to be verified to analyse the impact on the surrounding and the output of the project activities. Verification through information gathering can be defined as one of the basic tools to confirm the output:

Indicators	Verification through
1. A conflict resolution committee exists in every trained community and meets weekly.	- Regular visits to the communities; - Interviews with community members.
1.1 . . .	
2. In every target community there is one male and one female responsible for legal assistance.	- Contact to responsible individual; - Documentation of legal cases.
. . .	

The next step contains the definition of the time-scale (how often will the team verify the process, number of team meetings for monitoring?), the reporting of the results, and the distribution of responsibilities. The reporting serves the documentation of the progress and lists the success and failures of the activities which are needed to adapt and readjust the project activities to the changing environment. The following table can serve as a framework for the whole process and as a tool for the documentation:

Activities	Expected results	Indicators	Verification	Documentation	Responsible
1.1	...	...	...	...	...

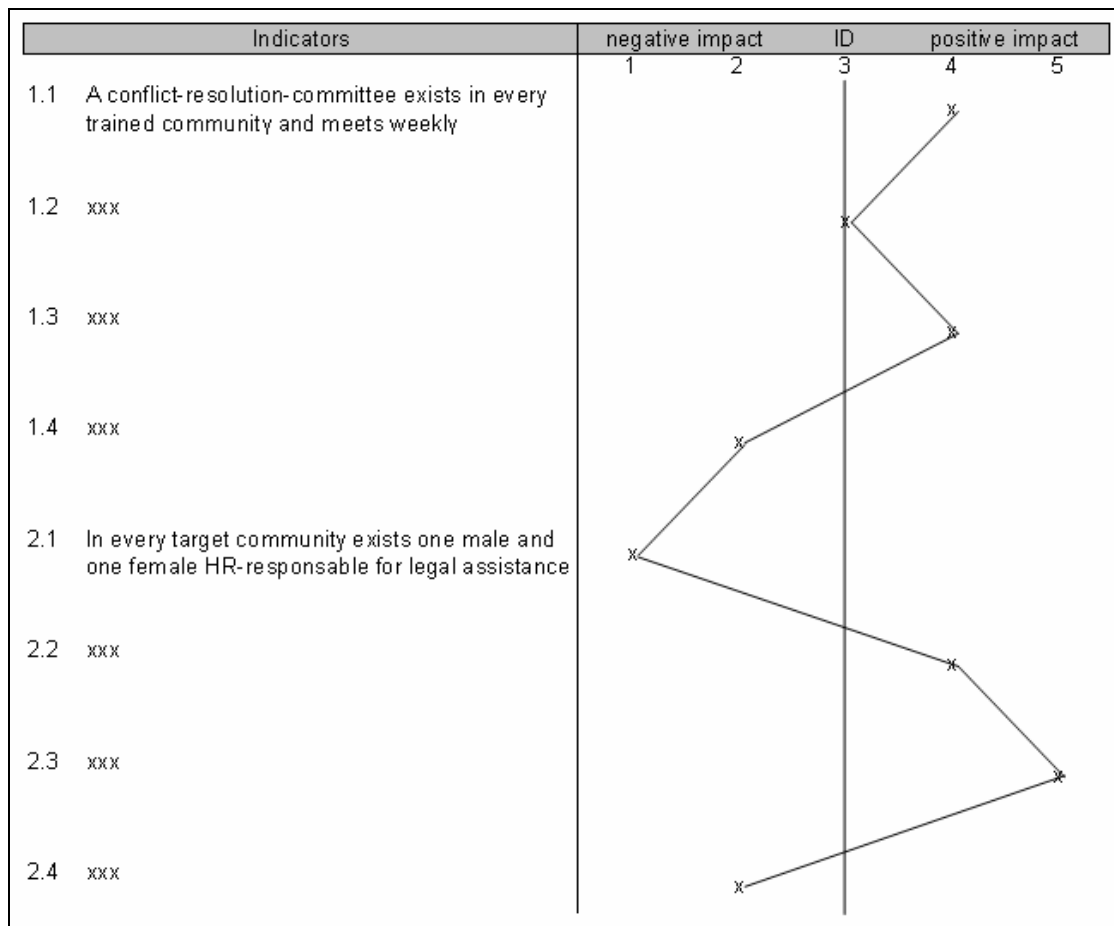
For a long-term evaluation, the cumulated and verified or falsified indicators can be shown in a graph to get an overview of the measured impact. Therefore, the respective indicators for the expected results are classified into several categories, similar to the procedure in step 2 ("Quantification of impact of the conflict ... "). The classification itself is made on behalf of the above-mentioned documentation and the result of the indicator-verification process:

ID	Classification of indicators
1	Long-term negative (conflict escalating) impact
2	Short-term negative impact
3	No measured impact
4	Short-term positive impact
5	Long-term positive (conflict settling) impact

For obvious reasons, this analysis can only be made after a longer period of time (e.g. one year) or even after the end of the project.

Indicators	ID
1.1 A conflict resolution committee exists in every trained community	4
1.2 xxx	3
1.3 xxx	4
1.4 xxx	2
2.1 Every community has assigned one male and one female responsible for legal assistance	1
2.2 xxx	4
2.3 xxx	5
2.4 xxx	2
.....	

The following process diagram is taken from classic sustainable analysis, but can be used also for the graphic description of the impact of project activities on conflict situations.



In the given example, the negative and positive impact on the conflict seems to be balanced, but especially the long-term negative effect of indicator 2.1 should be a warning signal and must be analysed.

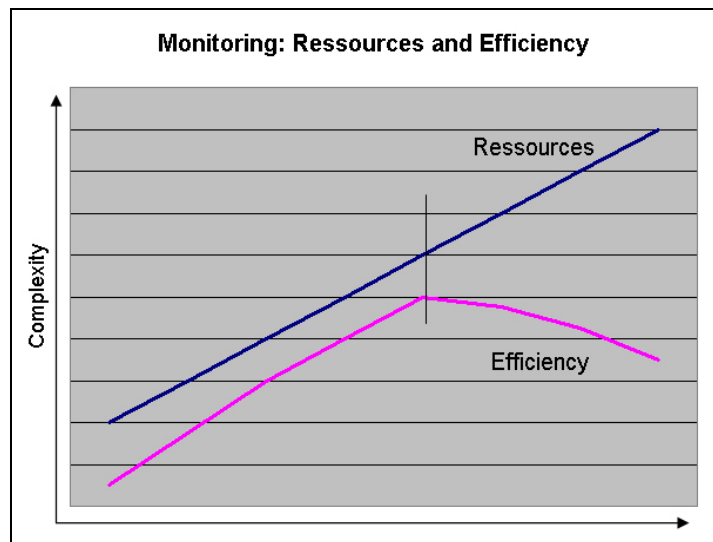
#### Step 4. Datasheet (Report to Commissioning Organisation)

The datasheet contains the above-mentioned information and could be delivered regularly to the commissioning organisations to give an overview of the relation project-conflict. The reporting terms should be discussed with the partners; a 6-month term can be seen as realistic as the model tries to avoid an extensive resource input. Therefore, even the smaller organisations will be able to process the data collection. The design of the datasheet should be organised according to the needs of partner and commissioning organisations.

### III. Considerations

Complex monitoring systems are not logically efficient. The input into the system (time, information, training) must be kept in a balanced relation to the resources of the organisation or its staff. The more input needed in the system, the less efficient it will become in organisational environments with little professional capacities. When too much time has to be spent on information processing, delays in reporting will be the result, hindering the immediate adjustment of project activities to the conflict situation. Reliability on information gets lost because either the missing information will be "invented" to fill in information gaps or the whole system will collapse because of a lack of resources to handle it. Although the above-designed model tries to be as simple as possible, some time has to be spent on implementation and running the system. If there is the need to simplify it further because of lack of time or capacities in the partner organisation, one should try to reduce the resources needed for the documentation. Sometimes the donors have to accept that under difficult conditions even the use of a computer is not possible.





But even in simple monitoring systems, the credibility of the input must be defined as the weak point of the whole process. Cross-checking of given information is difficult as long as there are no other sources available for verification and the donors are not on the spot. Wrong information can also be used to justify delays in project activities or to hide internal problems. A relationship based on confidence and trust between commissioning and partner organisation could be the key to reliable analysis. The readjustments on the project implementation must be accepted by donors as a necessary reaction to the conflict situation. Besides, the management and the staff of the partner organisation must be able to transform the outcome of the monitoring process into practice.

#### **IV. Recommendations for Monitoring**

- Monitoring can only be successful if it is designed as a mutual and confidential process between commissioning and partner organisations.
- Strengthening of data and information management in the partner organisation is important. This can be done by identifying and providing specialised software (e. g. legal, social or business software) and training the staff. But regarding the difficult conditions, commissioning agencies should also accept documentation that has not been elaborated with modern information technology.
- Improving the documentation and reporting skills of the staff members to achieve a professional PME-processing.
- Donors should refrain from short-term training (such as 1-day workshops); the interviews have proven that these training courses have little or no impact and do not achieve the expected results in the target groups.
- A do-no-harm training should be integrated into the activities with the partner organisations to strengthen the planning and implementation process with regard to intended and unintended consequences of activities.
- The handling of the results from the monitoring process should be defined together between partner organisation and commissioning agencies before the process starts.

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