The growing distrust between the Seven-Party Alliance (SPA) and CPN (Maoist) has an impact on the condition of security in the countryside affecting both the Constituent Assembly (CA) elections in mid-June and the implementation of the peace accord. On February 27, the UN Secretary-General’s Special Representative to Nepal, Ian Martin, warned that CA elections will “have to be postponed unless some form of consensus is reached on an electoral arrangement between the eight parties.” He also stated the discrepancy between 30,852 combatants but only 3,428 weapons registered to the UN by the CPN (Maoist), the failure of the state to contain violence and to include marginalized groups in the peace process, and the February 21 incident when 2100 Maoist combatants came out of cantonment in Chitwan and were engaged in road construction due to the lack of funds to support their livelihoods. The UN Mission in Nepal said that it is a breach of the pact. India has beefed up security on the border and asked the Nepali government to become alert of the infiltrators.

King Gyanendra’s defense (February 18) of his February 1, 2005 putsch and assumption of moral responsibility for any success or failure of his rule sharply evoked the ruling politicians’ fear. The king said he reinstated the House of Representatives on April 24, 2006 with the confidence that the nation would forge ahead on the path of national unity and prosperity while ensuring permanent peace and democracy. He added, “Nepal is a kaleidoscope of diverse people - be they indigenous, Dalits or those living in the villages, cities or Tarai (southern part of the country), hills or the mountainous regions. Nepal’s sovereignty and integrity remains safeguarded only because all have accepted and abided by this reality.” The Parliament passed a motion dubbing the king’s statement “unauthorized, unconstitutional and undemocratic.” The CPN (Maoist) declared that the king should be removed immediately.

Due to the growing political protest against the Interim Constitution (IC) by societal forces, the government registered a draft bill at the Parliament secretariat (Feb. 18), seeking approval of a federal state and proportional representation in all state structures as demanded by the Madhesis (people of Tarai) and ethnic groups. The other measures are the provision of the leader of the opposition in the IC, the nomination of 16 people in the CA, restructuring of some constituencies in Tarai and hills, provision of a vote of no-confidence against the Premier, etc. On February 25, the government also tabled the CA Court Bill 2007 to settle the disputes related to the elections.

Ethno-Territorial Agitation
Premier G.P. Koirala’s appeal to all protesting groups - Madhesi, Janajatis (ethnic) and Dalits (untouchables) to stop strikes (bandhas) and join the negotiations had little consequence. On February 1, Maoist Chairman Prachanda argued that Premier Koirala’s statement was “incomplete”. He supported the demands of Tarai and apologized for the killing
of one person by his cadre at Lahan, but opposed the ongoing violence and murder insti-
gated by "royalists and foreign elements" in Tarai. He also proposed the government to quell such violent activities by mobilizing the Nepal Army (NA) and People’s Liberation Army (PLA) as per the understanding of the eight parties.

As the agitation in Tarai mounted, Nepal Sadbhavana Party (A) said that it will not attend the meeting of the eight parties except to discuss the question of Tarai. Talking to Premier Koirala the leader of the Madhesi People’s Right Forum (MPRF) Upendra Yadav said, “Unless Home Minister K.P. Sitaula resigns and the demands for proportional representation of the Madhesi people and a federal structure of the state are met, he will not sit for talks”. Both wings of Tarai Janatantrik Mukti Morcha (TJMM) continued their insurgency.

As the ongoing agitation in Tarai caused hardship in the hills and in Kathmandu due to the supply of petroleum products including basic public goods, Premier Koirala made another appeal on February 7 promising to address “the issue of electoral constituencies and a federal system of governance after the amendment of the interim constitution.” The MJAF, welcoming the PM’s announcement, suspended the movement for 10 days to create an environment for talk. But it repeated its demands - the resignation of the Home Minister, the formation of a probe commission to investigate the incidents in the Tarai, where 25 people have lost their lives and over 69 were injured during the three-week agitation, compensation to the families of victims and declaration of those killed as martyrs. Similarly, on February 8, Tharu Kalyankari Sabha (TKS) and Nepal Loktantrik Tharu Sangh (NLTS) demanding federal state and proportional representation called a general strike affecting 23 districts of Tarai. It has demanded Tharuhat, the place for Tharus, as an autonomous region.

On February 9, MPRF leaders urged Indian authorities to help them attain their demands for a federal structure, constitutional rights to the Hindi language, fair representation in governance, organization of a census of the Tarai region before the CA polls and assurance that the land of the Madhesis will not be provided to non-Madhesis in the name of land reforms. The legislators of Tarai sought the resignation of the Home Minister. Minister Sitaula, however, apologized before the legislature for all those mistakes and the government has decided to provide Rs 1 million to each of the families of the 25 persons including a police man.

On February 1, the government appointed a three-member talk team headed by the Minister for Agriculture and Cooperative Mahanta Thakur as a convener. Minister Thakur’s letters to all the agitating groups - TJMM (Goit), TJMM (Jwala Singh), Nepal Federation of Indigenous Peoples and Nationalities (NFIPN) - for entering into a dialogue evoked a mixed response. NFIPN formed a five-member team, headed by Dr. Om Gurung, and held talks with the government on February 26. It suggested that the government should organize a roundtable conference to come up with an integrated solution to problems facing the Madhesis and indigenous nationalities. JTMM (Singh) also constituted a five-member team but set several preconditions: declaration of ceasefire, all killed in Tarai agitation should be declared martyrs and a compensation of Rs. 1.5 million should be provided to the families of the victims.
JTMM (Goit) faction, saying that the Premier's appeal for talks is a farce, called a three-day strike (February 21-23) in Tarai. Goit said, “Maoists are still entering parliament carrying weapons. In such a situation, how can the JTMM trust the government for talks?” On February 19, the MJAF announced fresh protest programs starting from February 26 to March 5 and called for an indefinite Tarai strike from March 5. On February 24, the clash took place in Nawalparasi and Nepalgunj between MJAF and CPN (Maoist) cadres hurting 12 persons. Similarly, the Maoists also clashed with NEFIN in Chitwan where ten people were hurt. On February 25, Nepal Chepang (Praja) Association has called a general strike in four mid-hill districts demanding a Chepang Autonomous Region with the right of self-determination while NEFIN called for a general strike on February 28 placing its demand for ethnic autonomy.

CPN (Maoist)
On February 9, CPN (Maoist) ideologue Dr. Babu Ram Bhattarai said, “CPN (Maoist) is moving forward by transforming the revolutionary path into one of peace for establishment of a democratic republic based on a multi-party competition.” Presenting his paper on “Future Nepal, New Nepal” he said it would not be possible to build a new Nepal until the establishment of a democratic republic. Since the country could not be governed by the centralized state structure, it would be necessary to establish an autonomous federal state on the basis of region, ethnicity, gender and class. He stated that the state should take full responsibility of revolutionary land reforms, industrialization, proper harnessing of water resources, tourism promotion, infrastructure development, and health and education by ending all forms of feudalism and utilizing the natural and human resources of the country. “The present defense strength should be decreased to between 20-30 thousand. “The national defense can be strengthened by providing militia training to all Nepalis.” On February 13, in his first public address to a rally in Kathmandu, CPN (Maoist)-leader Prachanda warned of launching a final battle in April for a federal republican set-up if any conspiracy is hatched to delay the CA elections. He criticized the SPA for its “selfish interests” and for being “corrupt and politicizing bureaucracy. We cannot build a new Nepal without ousting corrupt bureaucrats. Those who used to accuse us of bringing about a split among Nepalis are now talking about a federal system.”

On February 21, Maoist-affiliated regional and ethnic fronts formed their confederation to fight for the establishment of a federal-republican set-up in the country. The newly formed Ethnic-Regional Republican Confederation (ERRC) comprises all 17 Maoist-affiliated National Liberation Fronts. The president of these liberation fronts are the officiating members of the newly formed body. On February 26, Prachanda said, “We cannot be confident that the polls will be held as pro-palace and foreign forces are conspiring against it.” While the CPN (Maoist) leaders have started consultations for the formation of an interim government, the US Ambassador, James F. Morarty in his meeting with CPN-UML Secretary-General Madhav K. Nepal said that the Maoists should not be allowed to join the government as long as they carry weapons at public places.

Civil society
With a view to manage the post-conflict situation and provide financial and physical support, the government has established a Peace Fund and promulgated regulations for it. It will extend support in five areas: rehabilitation of internally-displaced persons, providing...
support for the CA polls, rehabilitation and strengthening of internal security bodies, cantonment management and rehabilitation of the Maoist army, and implementation of program and accords signed during the Peace accord. Donors like DFID, SDC, DANIDA, etc. have already committed Rs. 1.5 b.

On February 10, the Asia-Pacific meeting of the Socialist International (SI) started in Kathmandu. SI’s General-secretary, Luis Ayala, suggested all the political parties including the Madhesi People’s Forum Chief Upendra Yadav, to seek solutions to all problems through dialogue. NC and NC (Democratic) highlighted the role of their parties in establishing democracy and promoting pro-poor policies and CPN-UML leader Madhav K. Nepal said, “honest implementation of socialist principles was the only way to ensure social justice and end all sorts of exploitation.”

On February 15, a group calling itself the Nepal Defense Army (NDA) has taken responsibility for a series of blasts that occurred at Birgunj. Bombs exploded in the CPN-UML office, District Education Office and Office of the Drug Management Department. Its statement said, “Royal policies suppressed the Hindu culture for the past 237 years and now the eight parties are trying to make Hindus refugees and pariahs. It said it is dedicated to the nation, nationalism, democracy and Hinduism.

Military Affairs
On February 6, the Chief of the Army Staff (CoAS) Rukmangad Katuwal expressed commitment to take action against Dilip S. Rana, Acting Chief of Nepal Army Western Divisional Headquarters for making a controversial statement without the consent of NA headquarters. Speaking at the parliamentary committee hearing in the Interim Legislature, Katuwal said that he had sought clarification from Rana and asked the Defense Ministry to take appropriate action against him. While addressing NA personnel Rana had hinted that the NA could be mobilized to contain the ongoing violent activities across the eastern and western parts of Nepal. He also said that the political parties were the main reason behind the genesis of Maoist violence as they fostered corruption, poor governance and political instability. Rana said that if his remark “does not fall under army-public relations and contravenes the tradition and policy of the army, I am ready to accept action owning it as a personal view”. The NA headquarters has recommended the Ministry of Defense to take action against Rana.

Foreign Affairs
On February 7, the US Mission to Nepal has been authorized to continue providing economic and development assistance to the government of Nepal and to the peace process even if the Maoists join the government. It would, however, continue to call CPN (Maoist) a terrorist organization. On February 12, the US said that it is cutting its assistance to Nepal by 26 percent in 2007 which is projected to be $37 million.

On February 9, the Kathmandu-based Industrial Security Group (ISG) - which comprises representatives of the Embassies of France, Germany, India, the United Kingdom, the United States of America, and the Delegation of the European Commission (EC), along with their bilateral Chambers of Commerce - has urged the Maoists “to cease violence, abductions and extortion. It is a clear violation of their commitments under the Compre-
hensive Peace Agreement and at complete odds with their new status as members of the Interim Parliament.” On February 14, the EC has agreed to provide 60 million euros as its regular development assistance to Nepal from 2007-2013. Each year 15 m euros will be spent towards development.

The German EU Presidency “recognized that there are genuine grievances which need to be addressed in Tarai. But, violence can not achieve this.” It has urged all sides to refrain from violence and seek a peaceful solution. In a press conference on February 17, the visiting German parliamentary delegation suggested the Maoists honestly translate their words into practice, renouncing violence and bringing lasting peace and stability in the country. Talking to the journalists, the leader of the delegation Josef Winkler said, “Maoist cadres and supporters should act as the public commitments expressed by their party chairman Prachanda in this regard without having double standards.”

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