Law and Order
The indecision of the government on holding the Constituent Assembly (CA) elections has generated a rift between the left and the non-left forces in the country. The high mobilization of subsidiary identities without corresponding institutional development has made the political system almost dysfunctional. Political leaders in Kathmandu are jockeying for more power and patronage while the security and human rights conditions are deteriorating in the periphery. The National Human Rights Commission (NHRC) found both the government and Maoist guilty of breaching the peace accord, not disclosing the whereabouts of those disappeared and overlooking the rehabilitation of conflict-displaced people. On April 20, the Office of the UN High Commissioner on Human Rights (OHCHR) in its report on Gaur Killings highlighted the weakness of the law-enforcement agencies that, aware of the potential clashes and other violence, were grossly ill-prepared to ensure an effective crowd control and prevent CPN (Maoist) and Madhesi Jana Adhikar Forum (MJAF) to organize their meeting and suggested the government to carry out investigations into the incident. It also criticized the Maoist and MJAF for the incident where 27 Maoists were killed.

The emergence of a series of autonomous armed groups in the country and their competition for power has obstructed the state to establish a countrywide security. On April 2, Home Minister K.P. Sitaula gave the deadline to surrender all the illegal weapons to the local administration within seven days and expressed readiness to control “anarchist activities.” But, hardly anyone complied with this. The inaction of the state continues to increase the costs for the people and expose the ancient cracks of society. Rastriya Prajatantra Party (RPP) chairman P.S. Rana found no sign of improvement in the law and order situation of the country. He termed the change of regime from the king to the eight-party a “transfer of power from one landlord to another” and added that “people will not accept authoritarian rule of the eight-party alliance either.”

The Marwari National Council (MNC) revealed that criminal gangs have kidnapped 20 businessmen from its community within two weeks. Both the factions of Janatantrik Tarai Mukti Morcha (Goit and Singh), demanding a separate state for Tarai, continue to kidnap, shoot people and clash with the cadres of rival groups. On April 21, fearing the possibility of an anti-hill agitation in Tarai, the Chure Bhawar Pradesh Ekta Samaj (CBPES) declared an indefinite transportation strike starting from April 23. It withdrew its strike on April 30 following a successful negotiation with the government.

On April 11, the Foreign Ministry sent a list of 80 businessmen blacklisted for non-payment of bank loans to the foreign embassies in Kathmandu requesting them to cancel visa issued to them because their passports have been declared null and void. The Revenue Investigation Department (RID) has issued an arrest warrant against C.R. Dhakal, President
of the Federation of Nepalese Chambers of Commerce and Industries (FNCCI), after he flouted a number of summons issued by RID to record a statement on tax evasion charges.

**Negotiation Team**
On April 9, the government formed a three-member team headed by Peace and Reconstruction Minister R.C. Paudel to hold talks with various groups involved in street protests. The team has appealed to all the groups to come together for a talk. Saying that their demands have not been met, the Nepal Federation of Ethnic Groups and Nationalities (NEFIN) announced to hold nationwide demonstrations on April 11 and impose an indefinite blockade on Kathmandu valley beginning April 16. On April 14, the agitating *Madhesi Jana Adhikar Forum* (MJAF) responded positively to the call of government and expressed its readiness for dialogue. It, however, forced the ruling NC to cancel its public program at Janakpur. On April 25, the MJAF has formed a four-member team led by its chairman Upendra Yadav to hold talks with the government and asked the government to create an environment conducive for meaningful dialogue to address the problems facing the Madhesi people.

**Constituent Assembly**
On April 10, the Chief of the UN Mission in Nepal (UNMIN), Ian Martin, expressed his doubts about the possibility of holding CA elections on June 20. On April 11, the Indian Ambassador to Nepal in his meeting with Premier Koirala suggested to “hold elections, without completing the legislation process concerning elections.” He also discussed the crucial issues of policing the Indo-Nepal border in the wake of the security report that “anti-social elements of India were infiltrating Nepal and fomenting trouble in the south.” On April 13, the Chief Election Commissioner, Bhoj Raj Pokhrel declared the impossibility of CA elections on June 20 due to a lack of relevant laws and the unpreparedness on the part of the government. Soon after this, CPN (Maoist) chairman Prachanda said that the basis for the eight-party unity is gone, but he offered an option: either the 8-party should declare a republic from the parliament or his party will launch a peaceful agitation for a republic in the government, parliament and the street by the third week of May. The CPN-UML General-Secretary Madhav K. Nepal proposed to hold a referendum on the monarchy on the same date if CA elections are not possible. The Election Commission, however, indicated the impossibility of holding the referendum by June 20.

On April 12, the Election Constituency Delimitation Commission (ECDC) recommended a total size of 497 CA members - 240 to be elected on first-past-the-post basis, 240 on proportional basis and 17 appointed by the Premier on the recommendation of the cabinet. So far 62 political parties of various hues have submitted their application to the EC for their registration. But, the situation of deadlock has emerged both within the eight-party alliance and the parliament. The Madhesi legislators are regularly obstructing the House proceedings demanding a fresh national census and delimitation of the constituencies based on that. The Central Bureau of Statistics (CBS) asserts that holding the census requires four years of preparation. The CPN (Maoist) lawmakers are also obstructing the House demanding the announcement of a date for CA elections.
Monarchy
On April 10, the cabinet approved the Second Amendment Bill to the Interim Constitution, with a new provision for the abolition of the monarchy by a two-thirds majority through the parliament if the king is found to be involved in a conspiracy against the CA elections. It has also proposed provisions to oust the premier through a two-thirds majority in the parliament, the PM requiring to seek a vote of no-confidence and summon a parliamentary session upon a call from one-fourth of the law-makers. It also removed the provision of a parliamentary hearing for designated Nepalese ambassadors. On April 26, Speaker Subash C. Nembang said that he “is ready to declare the country a republic from the parliament’s rostrum if all the parties decided to this effect.” NC leader R.C. Paudel asked the Maoists to “stop attempts to spread coercive activities through their newly formed Young Communist League and asserted that “Parliament is not authorized to proclaim a republic.” He also criticized the CPN-UML and Maoist ministers behaving like the opposition while they are a part of the government.

Party Politics
The rift between the Nepali Congress (NC) and CPN (Maoist) became sharp as Premier G.P. Koirala criticized Minister Matrika Yadav over the latter’s allegation that the Nepali Army is poaching wild deer and supplying meat to the people at high circles. NC leaders also charged the CPN (Maoist) for not returning the property of the people and harassing their cadres. On April 9, speaking to a crowd of NC in Pokhara Premier Koirala said, “The time has come for Maoists to fulfill their commitment. They should stop extortion, return captured land and houses of people and not use hands given by god for murder, violence and terror. Maoist future is safe in conciliation and harmony.”

On April 22, the CPN-UML standing committee member J.N. Khanal said that the time has come to look for an alternative to the leadership of the prime minister. The same day communist leaders of various shades stressed their unity to end monarchy. The CPN-UML general secretary Madhav K. Nepal said the leftist forces could emerge victorious if they contest the assembly polls unitedly. Maoist leader Dr. Baburam Bhattarai added another point that the immediate task of leftist forces is to announce a republic through the interim parliament, where they have a majority. On April 30, a senior Maoist leader C P. Gajurel confirmed that Maoists are ready to support CPN-UML to change the government leadership. He also blamed Premier Koirala for not holding the CA elections and claimed, “Gaur carnage was a conspiracy hatched against Maoists in which NC had a hand.”

On April 8, after his meeting with many Indian leaders, chairman of Rastriya Janashakti Party (RJP), Surya B. Thapa removed the constitutional monarchy from his party statute, “in line with the historic House of Representatives declaration” and suggested Premier Koirala to lead “democratic forces” in the country. This offer came in response to a growing amity among the left forces. The claim of the Defense Secretary that the Chief of Army, Rukmangad Katwal had a 90-minute meeting with the king put the Premier in a controversy although Army Headquarters said that it is “false, imaginary and misleading.” Media reported that Katwal met the king on the suggestion of Premier Koirala.
**CPN (Maoist)**

On April 7, CPN (Maoist) chairman Prachanda revealed that his party has just changed its war strategy as per Maoist philosophy. "The left forces will be united and no power in the world will be able to defeat us." In contrast to this, its ministers are holding liberal postures. For example, Minister for Communications and Information K.B. Mahara said that a foreign investment in media cannot be prevented. Despite protests from his party, he also allowed to hold the Dabar Vatica Miss Nepal contest in Kathmandu and a live show on Nepal Television which is under his control. On April 15, Kathmandu Metropolitan Police raided the Maoist-affiliated Young Communist League in three districts in the valley on the suspicion of the possession of arms but found nothing. On April 18, Prachanda met the Premier and asked for the adjustment of the People’s Liberation Army (PLA) - Nepal Army (NA). He said that both need equal conditions but the PLA is living in inhuman conditions, deprived of pocket money and basic amenities. On April 19, the US Embassy in Kathmandu denied a visa for a Maoist leader, Suresh Ale Magar, to go to New York to participate in the UN program on transitional justice. Ale criticized the American government and demanded a judicial commission to probe the Gaur massacre, scrap the report of ECDC and called the government to disclose the whereabouts of the disappeared people and condemned police raids on the offices of the Young Communist League (YCL).

Similarly, on April 30, CPN (Maoist) refused to allow the verification of its combatants in cantonments under the UN monitoring, citing political deadlock with the government and poor living conditions of the combatants. On May 1, Chief of UNMIN, Ian Martin, expressed unhappiness over the Maoists attitude and said, “Maoists cannot link verification of their combatants confined in cantonment to preconditions, such as improvement of conditions in the cantonments, government payment for those registered there, and the formation of the committee envisaged by Article 146 of the Interim Constitution to take responsibility for the future of the Maoist army.” He added that a verification is essential for two purposes: to identify minors who under the agreement must be discharged and to determine whether personnel were recruited after 25 May 2006, in breach of the ceasefire code of conduct.

**Foreign Affairs**

On April 2, the UK’s International Development Minister, Gareth Thomas, announced 13m pounds to support Nepal’s Peace Trust Fund and 23.5m pounds for debt relief until 2015. He said that “Maoists must be responsible as they have entered the interim government. The UK will coordinate with key ministries of the Maoists to cooperate in development works.” He urged all political parties to exercise discipline among their party members to make sure guns are not used in elections so that they are genuinely fair and credible. On April 24, the US Ambassador to Nepal, James F. Moriarty argued, “As long as the Maoist do not end violence and extortion, they cannot be considered a normal political party and the US will continue to treat them as a terrorist organization.” The US Country Report on Terrorism released on April 30 revealed that after Prachanda’s visit to India, Maoist perception on India as “expansionist” has changed while its view on the US as “imperialist” remains. This report also branded JTMM (Singh and Goit) as terrorist groups. On April 27, he suggested Premier Koirala to declare the date for CA elections.

The April 3-4, 14th SAARC summit in Delhi issued a 30-point declaration. It stressed on intra-regional connectivity, decided to earmark one rural community as a SAARC Village in
each member state to show case these innovative models of development, included Afghanistan as a new member and Iran will also get an observer status. Foreign Ministers of China, Japan and South Korea and representatives from the US and European Union addressed the inaugural session. At the summit Indian Prime Minister Manmohan Singh announced that India will gradually reduce the customs duty for the least developed countries in the Indian market and the same will be reduced to zero by the end of this year. He added that India will “accept asymmetrical responsibilities, opening her markets to her South Asian neighbors without insisting on reciprocity.” A two-tier mechanism has been established on poverty alleviation, a South Asian University will be set up in India and it declared 2007 as the Year of Green South Asia. Japan extended $7m for the SAARC-Japan Fund. The Maldives will host the 15th SAARC summit next year.

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