

News Update from Nepal

1 July 2006

Power Transition

On June 10, the House of Representatives (HOR) passed important Regulations, leaving the king totally out of the House, allowing legislators to discuss matters related to the royal family, any issues under consideration in the court and anything done by a judge in the course of discharging his duties. The House proceedings will be governed by the HOR Proclamation 2006. The Prime Minister (PM) can summon the House and the Speaker, under the PM's recommendation and he can prorogue the session. The House can form special committees. So far, three committees - Security, Implementation of HOR Proclamation and House hearings - have been set up.

The Regulations authorize the Speaker to put the seal on bills passed by parliament. The PM can present the government's annual policies and programs and make the government answerable to the House. The Hearings Committee can grill the heads of constitutional bodies and other public authorities. After the judges protested, legislators agreed that judges have to take their oath of office before the special HOR panel. The Supreme Court also ordered the government to release five former ministers of the royal regime arguing that they were detained without sufficient evidence. The High Level Probe Commission has begun interrogating royal advisors and former ministers for suppressing the movement.

On June 11, Premier G.P. Koirala expanded his 18-member Council of Ministers by inducting three members including another Deputy Prime Minister Amik Sherchan who is also holding the portfolio of Health and Population. Other ministers are: Hridayesh Tripathi (Minister for Industries, Commerce and Supplies) and Gyanendra B. Karki (Minister for Water Resource).

Monarchy and the Army

The status of the monarchy and the Nepali Army (NA) has raged strong public debates. On June 14, premier Koirala spoke in favor of a ceremonial king. He said, "The country cannot move toward the direction we want in the current state of transitional confusion if we isolate the king. We - the parties, Maoists and king - happen to be under a single umbrella at the moment, but we will run out of options as to where to go if this umbrella is closed." His remarks provoked the wrath of fellow party leaders, civil society and human rights activists. Left parties have openly articulated for a democratic republic.

The historical distrust between the military and civilians has not dissipated so far despite the commitment shown by the Nepali Army (NA). On May 28, Chief of Army Staff General Pyar Jung Thapa said, "The Nepal Army (NA) is committed to protecting the country's sovereignty, integrity, nationalism and the nation's interest. In keeping with this, NA is committed to following the directives of the Nepal government which is moving ahead with the objective of creating a prosperous Nepal by strengthening multi-party democracy and lasting peace." On June 22, the NA expressed serious concern over the "misleading comments" made by Maoist Chairman Prachanda at the Prime Minister's official residence in Baluwatar

on June 16 saying that “NA is good for nothing except murdering people and raping Nepali women.” NA expressed serious concern over Prachanda’ allegations. “NA has behind it a over two century-old culture of glorious nationalism, protection of territorial integrity, selfless sacrifice for the people’s security and the dignity of the people under the direct command of the prevailing constitutional government.” On June 23, the Ministry of Defense has asked the NA not to speak on any political and policy issues. Prachanda also apologized for using wrong words against the entire army. Despite the Code of Conduct, both the NA and the Maoists have continued their military recruitment.

Peace Talks

On June 11, Home Minister K.P. Sitaula met Maoist leaders including Prachanda. The next day the cabinet revoked all the cases filed against Maoist leaders and cadres including those against Prachanda. This allowed them to open a contact office in Kathmandu. The second round of talks took place on June 15 at Hotel Himalaya. A four-point agreement was signed: a) holding the summit talks soon; b) formation of a 31-member National Committee for monitoring the ceasefire Code of Conduct under the coordination by Dr. D.R. Panday (he is now being replaced by Prof. Birendra Mishra); c) the UN Office of the High Commissioner for Human Rights (OHCHR) to be requested for assisting human rights monitoring; and d) five civil society leaders - Laxman Prasad Aryal, Dr. D.R. Panday, Padma Ratna Tuladhar, Daman Nath Dhungana and Dr. Mathura P. Shrestha - will observe the peace talks.

On June 16, the meeting held between top Maoist leaders and the Seven Party Alliance (SPA) at the Prime Minister’s office decided to:

- Implementation of the 12-point agreement signed on November 22, 2005 and the 25-point codes of conduct signed on May 26, 2006;
- Commitment to a competitive multi-party system, civil liberties, fundamental rights, human rights, press freedom and democratic norms and values including the concept of rule of law. Both sides agreed to carry out their activities peacefully;
- Requesting the UN to manage and monitor the weapons of both the armies and arms to ensure fair CA elections,
- Drafting an interim constitution, forming an interim government and dissolving the House of Representatives and the Maoists’ local bodies,
- Taking decisions on issues of national importance through mutual understanding;
- Guaranteeing public participation in the CA elections without fear and intimidation;
- Restructuring the state, converting ceasefire into a lasting peace and resolving all issues through dialogue; and
- instruction to the talk’s team to immediately implement all the agreed points.

The leaders who signed the document are: Prime Minister and Nepali Congress President G.P. Koirala, CPN-UML General-Secretary Madhav K. Nepal, NC (D) President Sher B Deuba, People’s Front Nepal President and Deputy Prime Minister Amik Sherchan, Nepal Workers and Peasants’ Party Chairman Narayan Man Bijukchhe, Nepal Sadbhavana Party (Anandi Devi) Vice-President Bharat Bimal Yadav and United Left Front Nepal President Prabhu N. Choudhary and Prachanda signed from CPN (Maoist) side. The Interim Constitution Draft Committee is coordinated by Laxman P. Aryal. Other members are: Harihar Dahal, Shambhu Thapa, Sindhu Nath Pykurel, Mahadev Yadav and Khim Lal Devkota.

The signing of the eight-point deal provoked reactions from the SPA as they argued that the “pact with the Maoists has been done without homework.” They also opposed the dissolution of parliament

On June 23, Prachanda said, “An interim government will be formed after the drafting of an interim constitution. The new government can unite the two armies before the Constituent Assembly polls.” The same day Kul Chandra Gautam, Assistant Secretary-General of the UN said, “The Maoists’ proposal to merge the People’s Liberation Army and the Nepali Army seems problematic on two counts - first, it seems objectionable to have an ideologically indoctrinated contingent loyal to one political party become part of a national army. Second, at a time when we are trying to downsize the army, expanding it by adding additional contingents seems illogical.” He also said that a team of UN experts would arrive in Kathmandu to assist the peace process in Nepal soon after receiving a formal letter from the government. On June 25, Prachanda and Dr. Baburam Bhattarai began consultations with the leaders of the SPA and civil society to sort out the misgivings. Prachanda argued that the armed forces from both sides can be put under a single command of the interim Prime Minister monitored and supervised by the UN. The field command will be different.

On June 15, a Peace Committee coordinated by NC General-Secretary Ram Chandra Paudel has been formed for assisting the peace process, as per the government’s June 12 decision. Its members are: Ishwor Pokhrel (CPN-UML), Sashi Shrestha and Chitra B. KC (PFN), Sunil Prajapati (NeWPP), Rajendra Mahato (NSP-A), Representative of ULF, Khem Raj Pandit (RPP), and Prakash C. Lohani (RJP). Member secretary is Bidhyadhar Mallik, the Secretary of the government.

International Involvement

India has opposed the UN mediation on the ground that it would give legitimacy to the Maoists and sought the support of the US and EU to join India in backing the government to limit the Maoists’ demands. On June 18, Dr. Guenther Baechler, Swiss Advisor for peace-building in Nepal said, “We encourage the peace secretariat to set up an international fund” and advised the government and the Maoists to establish a mechanism for dialogue, peace and reconciliation at the local level but cautioned about the risk of failure of the talks because of the lack of clear agreements about the sequencing of further steps about the de-commissioning or the reintegration of the armies.

On June 28, Maoist leaders Dr. Baburam Bhattarai and K.B. Mahara met the Indian Ambassador Shiva Shankar Mukherjee and the Swedish Foreign Ministry’s Ambassador for Conflict Management, Lena Sundh, and sought their support in “institutionalizing the democracy and peace process in Nepal.” On June 28, the US Ambassador to Nepal, James F. Moriarty announced that the US would not support any government participated by the Maoists unless they renounced violent actions. He said, “The US has a law that prohibits providing any material support to a terrorist organization.” He also criticized the Maoist Chairman Prachanda recently saying that the October Revolution would happen in Nepal if the ongoing talks fail. On June 30, politbureau member of the Communist Party of India (Marxist), Sitaram Yachuri reacted, “It would be good for the world that a sovereign country takes its own decision independently.” This marks a clear policy difference between India and the US who were until recently coordinating their policies on Maoists.

Civil society

The movement of civil society groups continues unabated. On June 17-18, the civil society organized a two-day national conference on the possible structure of the CA in Kathmandu. Named as "Future of Nepal: Citizens' Initiatives II" the conference held a series of meetings on the various aspects of the CA and demanded the restructuring of the political parties to include women, Dalits and indigenous people. A CA and a democratic republic are two common agendas of left parties and civil society groups. Women lobbying groups encircled the office of NC, CPN-UML and NC (D) and demanded their fair representation in the constitution drafting committee. On June 24, human rights activists flayed legislators for failing to take up human rights issues seriously in the House. Sushil Pyakurel said, "The government has failed to come up with an agenda for rehabilitating the displaced people." Dr. S.M. Dixit expressed unhappiness over the conflict surfacing among legislators and the leaders of SPA. Adding that the legislators are trying to send the Maoists back to the jungle, he asked "all people to remain mentally prepared for spearheading people's movement III phase in the country." The OHCHR reported the violation of the Code of Conduct by the Maoists alleging that the Maoists killed nine individuals following the signing of Code.

International Affairs

The Ministry of Foreign Affairs has resumed giving travel documents to Tibetan refugees which was suspended by the royal government. On June 5, premier Koirala made a four-day official visit to India and sought support for democratization, peace-making and development cooperation. On June 5, CPN (Maoist) said that this government cannot ink a crucial deal with India on any agenda that could have long-term consequences and called for the release of 137 Maoist detainees from Indian jails. Similarly, SPA told the PM not to sign any treaty with India.

India has agreed to extend a one-time grant of Rs. 1.6 billion to support the forthcoming budget of Nepal and to offer a soft credit of Rs. 7.5 billion for the execution of infrastructure development projects. It would enhance its aid to the Nepal budget for the current financial year from Rs. 1.4 billion to Rs. 2.4 billion, waive the dues outstanding by Nepal to India on account of defense purchases, and arrange for the immediate supply of 25,000 metric tons of fertilizer at subsidized prices. It has decided to exempt all export of goods manufactured in Nepal into India from the 4 percent additional duty customs. India has also agreed to provide long-term infrastructural projects and double the number of scholarships for Nepalese students. The Press Trust of India claimed that India and Nepal have "sorted out" all their defense cooperation issues during talks.

On May 31, Japan extended an assistance of Rs. 174.47 m as food aid to Nepal. The EU has resumed an energy and conflict mitigation project worth 17 m Euro, allocated 5 m Euro to assist Nepalese affected by the conflict and Bhutanese refugees living in the country and decided to reactivate stalled assistance worth Rs. 1.7 b. The Danish government agreed to provide Rs. 5 b over five years for a rural energy program and Rs. 500 m for the peace process in 2007.

Economic and Social Development

The Central Bureau of Statistics revealed that the per capita of the Nepalese is US \$311. Income declined by a quarter of a percent for the first time in the last five years. Savings declined by 11.1 percent of the GDP. The foreign debt burden of every Nepalese is Rs. 13,000.

On May 30, the HOR passed a proposal which obliges the government to issue a citizenship certificate to a child with the mother as approver or legal guardian, to guarantee proportionate representation in all state mechanisms including jobs and other opportunities in the long run and to end all provisions in laws that discriminate against women. For now, it has proposed a 33 per cent reservation for women at all levels of the state mechanism. The proposal also states that all existing laws that discriminate against women must be scrapped. There are 28 gender-discriminatory provisions in the Civil Code (11 amendments). Likewise, 20 existing acts have 53 discriminatory provisions while 35 existing rules have 85 discriminatory provisions.

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