Nepal
Strategic Conflict Assessment

Consultant’s Report
for the
Department for International Development, UK (DFID)

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Humanitarian Initiatives
TIMING OF THIS REPORT

This report was researched and written in August and September 2002 and reflects the author’s view on the situation pertaining in Nepal at that time. It does not take account of the changes that have followed since the King’s dismissal of Sher Bahadur Deuba as Prime Minister on October 4th and the instatement of a new government.

EXECUTIVE SUMMARY

Overview

1. The conflict in Nepal has been extensively analysed and this short report is intended as a summary and update, using the DFID methodology for Strategic Conflict Assessment. It updates a report written by Jonathan Goodhand in 2000, and is primarily based on analysis in Nepal during July 2002, with some later additions.

2. Underlying the many different causes of conflict is the fundamental issue of failure of governance. Whilst in some respects there has been development progress during the 12 years since the introduction of democracy, the self-interest of a narrow caste-based ruling elite has led to corruption (Greed) and the political, economic and social exclusion for large sections of the population (Grievance). These two factors now interact to produce a situation of endemic conflict that periodically explodes into violence.

3. The Maoists have been able to exploit a genuine sense of Grievance caused by the failure of governance, and focused attention on the exclusion of poor rural people from political power. They have been able to link their political cause to discrimination based on caste, ethnicity, religion and gender. In effect they have seized the development agenda from both government and international agencies. This is not because the Maoists have found development solutions but because government and international aid have largely failed.

4. The ‘Greed’ of the political elite has not been modified, and therefore the way towards a negotiated settlement remains unclear. Instead the political elite has relied on military means to address the issues, and may have been encouraged to hope that such a solution is possible by international support associated with the ‘war against terrorism’.

5. In recent months three new problems have emerged. The abuse of human rights has become a serious problem and, following the demise of local and national elected bodies, the future of democracy itself is at stake. Most recently, there are growing signs of an impending humanitarian crisis.

The current crisis

6. The State of Emergency imposed in November 2001 may have protected the capital and District towns to some extent, but may have further undermined the confidence of rural people, and in particular of the poor. It is generally the poor who are targeted by the actions of the security forces –sometimes on the basis of allegations and reports made by better-off people and those with political power. Human rights violations are

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now an everyday occurrence. For ordinary people there are no protections against arbitrary arrests by the security forces, and there is little respect even for the lawyers who seek to protect human rights.

7. The ongoing and deepening conflict has now been overlaid by a crisis within the political elite. The discourse of a ‘war against terrorism’ has enabled a section of the political elite –with international support- to abandon democratic norms and disregard international law, most notably in the case of human rights but also by manipulating the democratic systems. As of today, there are no elected forms of government either at Parliamentary level or in the District and Village Councils. Unfortunately the conflict easily becomes a pretext for the suspension of democracy.

8. Observers note that the Palace is increasingly involved in government. There are debates whether Nepal should return to more autocratic forms of leadership. The deployment of the Royal Nepal Army may have curtailed Maoist activity to some extent, but only at the expense of further division between the elite and those who are excluded. But recent attacks by the Maoists confirm the view that the problem cannot be ‘defeated’ by military means alone.

9. The underlying causes of conflict have yet to be addressed. Progress in implementing the Immediate Action Plan that followed the ‘London meeting’ in June has been modest, to say the least. Apart from identifying schools and health posts to be run by local committees, and the arrest of 22 staff from the Revenue Dept on corruption charges, little action has been taken, and the international community has been timid in applying leverage or conditions.
10. The human rights and political crisis is now beginning to turn into a humanitarian crisis. Most of the young and able-bodied men and women have left the main conflict areas in fear of reprisals by the security forces. Actions by the conflict parties have severely disrupted patterns of migration and the movement of food. Hundreds of thousands of weaker people—the old, the destitute and young children—have been left to fend for themselves in a context of violence, abuse of human rights, and now—the prospect of starvation.

Scenarios

11. Currently, Nepal faces two scenarios. The first is a return to the pre-1990 past in the form of autocratic rule. This is likely to involve further erosion of human rights and (at best) a level of stability based on the use of force. Fundamental problems are not likely to be addressed—because among these problems is a desire for greater political power by ordinary people. Autocratic rule may also be accompanied by the continuing corruption of the political elite and an extended war in which the guerrillas consolidate their hold on rural areas, gain more sophisticated weapons, develop their own ‘war economy’ and actually turn towards terrorism.

12. The second scenario is the revival of democratic forces. The advantage of this scenario is that it could lead to a long-term solution of the conflict through negotiation and implementation of plans to address the underlying causes of the conflict. But this scenario is only possible if a government emerges that is prepared to tackle political cronyism within the elite, or if military reverses force a radical change in political thinking.

13. Whilst constitutionally a Hindu State, Nepal is in reality an amalgamation of many ethnic groups and religions. There may even be more non-Hindus than Hindus and there is the potential for a fundamental divide between the Hindu elite (Brahmin/Chettri with Newar support) and the rest of the country. Old feelings of political and cultural subjugation could re-emerge. Politics could become more regionalized and more nationalist. If politics continue as ‘normal’, there is a danger that differences of caste, ethnicity and religion could turn what is currently a political conflict into a nationalist one, and create the circumstances for an endemic, long-lasting and highly destructive civil war into which the surrounding countries might be drawn.

Aid Agency Strategy

14. The root of the problem lies in an unwillingness of the political elite to share power, and the misuse of power for personal gain. The political elite sees nothing to gain from ‘good governance’ and therefore shows little interest in pursuing it. External donors have not been willing to apply strong leverage, possibly because of pressure from the diplomatic community not to ‘destabilise’ a country in such a sensitive position. But this is only trading short-term calm for long-term trouble.

15. The language of the ‘war against terrorism’ supports the government and the continuation of the status quo. This makes it difficult for donors, however much they may resent political corruption, from applying strong leverage. Accordingly, this report takes the view that it may be better to take a less direct approach to the problem and focus on aid itself. External aid is part of the problem, as well as potentially part of the solution. Despite the relatively high level of aid, it has failed to deliver
significant improvements in standards of living and undermined the accountability of government. Aid agencies have been too quick to charge the political elite but ignored corruption in their own workings and in their civil society ‘partners’. They have ignored the corrupting influence of the large amounts of money that they bring.

16. This report concludes that the international community should –for the time being at least- focus on putting its own house in order and helping civil society to develop independent norms and standards. Firstly, donors should face up to the erosion of human rights and use it as a tool with which to hold government accountable to international standards. Secondly, they should develop sharper mechanisms to focus their programmes on equity and exclusion.

Summary of Proposals to the International Community in Nepal

- Request the UN Secretary General to develop a contingency plan for monitoring elections.
- Develop a conflict perspective within the PRSP process
- Institute systems for monitoring human rights violations encountered in the course of aid programmes.
- Set up a donor co-ordination group on human rights
- Be ready to link human rights performance to development and military aid.
- Set up a donor group to develop standards for aid and a Code of Practice to include:
  - Targets for direct delivery
  - Recruitment policies to ensure better balance of staff
  - Consideration of affirmative action in favour of women and minorities
- Develop plans to respond to humanitarian needs
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Acknowledgements
This SCA report is part of a trilogy that includes two other pieces of work specifically related to DFID. These are a Programme-Level Conflict Assessment (review of current programmes from a conflict perspective) and a Peace-Building Framework (proposals for new responses to conflict). The SCA draws on analysis by Shobha Gautam, Jonathan Goodhand, Mandira Sharma and Robert Walker who conducted many of the individual case studies of DFID projects. I would also like to thank Debendra Manandhar who conducted important studies for UNDP and worked with me in May, and especially DFID consultant Mandira Sharma who worked with me in July-August 2002.

Acronyms

BJP Bharatiya Janata Parishad (India)
DFID Department for International Development (British Government)
EU European Union
GTZ German Technical Cooperation
PRSP Poverty Reduction Strategy Papers (World Bank)
SCA Strategic Conflict Assessment
UML Communist Party of Nepal (United Marxist-Leninist)
UN United Nations
UNDP UN Development Programme
UNDP/BCPR UNDP Bureau for Conflict Prevention and Resolution
FULL REPORT

Introduction
1. **Methodology.** In the past aid agencies treated conflict as an additional factor in strategic analysis rather than an integral part of it. But gradually they have come to realise that today’s conflicts engage with all aspects of society and interact closely with political, economic and social factors. Unless an understanding of conflict is embedded into the strategic analysis there is a danger that policies and responses will be simplistic and disconnected.

2. Over the last two years DFID has developed a methodology of Strategic Conflict Assessment (SCA)\(^2\) intended to integrate the understanding of conflict into policy-making. A ‘model’ of conflict is constructed in order to explore the interaction between causes, dynamics and responses, and generate policy options. It is intended primarily as an input to strategic thinking by aid agencies but can be used by others, and to produce different outputs. DFID is now using it to generate key questions for programme review and also to develop new sets of responses.

3. The conceptual basis of this SCA report follows the five steps in the published methodology, namely-
   1. **Analysis of Causes.** This is divided into Security, Political, Economic and Social sectors, and each one is examined at international/regional, national and local levels.
   2. **Conflict actors.** This section examines the perspectives and interests of the key actors.
   3. **Dynamics.** Following the first two sections, linkages and triggers are examined in order to determine some of the likely, and most dangerous trends.
   4. **Responses.** The activities of government, international community and civil society are examined.
   5. **Policy Options and Conclusions.** In this final stage, the main opportunities for adjustments in responses, and new possibilities, are considered, leading to conclusions and recommendations.

4. This report on Nepal draws on and updates a previous SCA conducted for DFID, during the methodology’s experimental stage, by Jonathan Goodhand (see Bibliography). Since then several further studies have been made (notably by the EU and GTZ) and DFID itself has undertaken further research on a number of conflict-related issues. The author has also drawn on his work for UNDP Nepal in May 2002 – some of which has been published (UNDP/BCPR 2002). The present report also draws on a Programme Review undertaken for DFID, involving extensive fieldwork.

   DFID’s primary purpose was to produce a set of policy responses and so this report is focused on what can be influenced by aid agencies rather than anything else. A second limitation is that the situation is now moving so rapidly that inevitably some incidental observations will already be out of date. Nevertheless it is unlikely that the underlying strategic factors will change nearly as fast.

Section One: Underlying Causes

17. The conflict in Nepal has been characterised by government, with obvious opportunism, as a ‘war on terrorism’. But analysts within the main political parties and in the aid agencies are well aware that this is only a very small part of the truth, and in fact one of the remarkable features of the conflict is the absence of terrorism, at least until recently. Analysts agree not only that there are genuine grievances underlying the conflict, but they also know, more or less, what they are. There have been many workshops and studies on the conflict, and many people can quickly list the known and accepted causes of the conflict. The issue now is not so much about understanding the causes of conflict as about finding realistic solutions, and finding mechanism to neutralise and bypass the national and international rhetoric.

18. One set of causes can be characterised in simple form as political, economic and social exclusion. These may be termed the ‘Grievances’. They have existed and developed over many years. The exclusion of some implies the inclusion of others. The ‘included’ group has access to an overwhelming proportion of political, economic and social power. This they have jealously guarded and protected with total disregard for the well-being of poorer people and for the nation as a whole. This set of causes may be called ‘Greed’. The conflict can be modelled as an interaction of Greed and Grievance modified to some extent by social and moral influences.

19. The achievements since 1990 should be acknowledged. Literacy rates have improved considerably, forest user-groups have made a huge difference to some people’s livelihoods, there has been macro-economic stability and an average growth rate of 5.5%. Aid donors can claim some success with capacity-building support for the government. But Nepal remains one of the poorest countries in Asia, with the most appalling figures for human development. The growth rate does not translate into improvements in the lives of poor people.

20. The international community has been too ready to make the assumption that the interest of the state is the interest of the people. Clearly the two are disconnected, but aid has become embedded into the political elite, sharing in many of the benefits including power, wealth and social status. The perceptions of many staff in aid agencies are too Kathmandu-centred, and too much like those of the ruling elite, rather than of the poor people whom they are supposed to serve.

1.1. Political exclusion

21. The political elite has been able to capture and corrupt the functions of the state and in so doing has been able to escape open criticism, constraint through legal process and the limitations brought about by democratic systems. Protest has taken increasingly extreme forms, and as the situation escalated the government has sought greater and greater powers. The State of Emergency, imposed in November 2001, has allowed further suppression of the media, and has opened the way for widespread violation of human rights.

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3 According to UML’s Department for International Relations, studies conducted in 2001 by UML and the Nepali Congress (in fact led by the current Prime Minister) reached similar conclusions. The UML analysis shared with the author is certainly very similar to recent analysis by donors.
22. Corruption is not simply a matter of stealing money from the state it is embedded in political practice. Huge amounts of state money are used during elections to secure the survival of the incumbent regime. Low-paid parliamentarians then recoup the investment for themselves, their patrons and dependents through corruption. No political party has escaped the accusation of corruption on a massive scale. Politics is a business in which costs have to be recovered with profit, by exploiting public resources.

23. All this is by no means unique to Nepal. What characterises the Nepal situation is the interplay of political corruption with a narrow caste elite and a remarkable concentration of power in the capital. People can move to the capital if they have wealth but they can never change caste or ethnicity. This makes it extremely difficult for outsiders to penetrate the system. The second difference is that the international community has been extraordinarily tolerant in Nepal, trying to win favour with government rather than achieve long-lasting results.

24. Despite spectacular instances of fraud and misuse of power, there have been no cases of senior politicians being held to account. A culture of impunity has developed, encouraging more and more people to become corrupt. This suits those who have wealth, because wealth buys favourable decisions. But bribery is not always necessary. The possession of wealth and status can be enough in itself. Judges—in the lower courts, at least—are known to favour the more powerful of the protagonists, and this may become a basis for their decision rather than the facts of the case.

25. More recent developments include a serious erosion of the independent media. The mass media (TV and radio) have always been heavily controlled by the state. But newspapers were relatively free until the State of Emergency was imposed. Subsequently, several journalists were arrested and beaten up and heavy editorial pressure was applied through proprietors. Criticism of the army, about human rights violations, for example, appeared to be a particularly sensitive issue. The recent lifting of the State of Emergency has opened up reporting on Maoist issues and a number of papers have published interviews with Maoist leaders.

1.2. Economic exclusion

26. Wealth is so heavily concentrated in Kathmandu that Nepal can be characterised as two countries with different ways of life—the metropolis and the periphery. To some extent the major District towns share in the wealth of the metropolis, but the villages and rural areas receive very little indeed. Even where funds are targeted to the rural areas, money is shaved off in Kathmandu and at the District level.

27. Much attention has been given to the economic effects of the decline in the tourist trade and the economic pressures on Nepal’s businesses by India’s trade policies. It must be acknowledged that Nepal’s middle classes face many pressures, especially from the rising costs of health and education. But impoverishment in the rural areas is something quite different. It is difficult to convey the appalling poverty that exists in the villages and this contrasts starkly with a landscape widely considered to be one of the most beautiful in the world. In a country in which subsistence farming contributes to the livelihoods of over 80% of the population land is naturally a priority issue.

4 The international community has taken up the case of the disappeared or murdered journalist Krishna Sen.
Between the 1991 and 2001 censuses the number of recorded landless people has doubled. Forced to leave their homes, as many as 10,000 women and girls are engaged in the sex trade, mainly in India.

28. The sense of grievance underlying the conflict derives not only from extreme poverty but also from the perception of inequality that comes from rising expectations. The poorest people no longer remain in their villages but travel abroad, even to the Gulf. Migrants come across wealth, and understand what they are missing. In India they see a better-functioning democracy with progressive policies towards the oppressed castes. They may also encounter radical social movements such as the Naxalites. The introduction of democracy a decade ago—after years of feudalism—raised hopes of advance. But those hopes have not been realised.

29. Villagers no longer live in isolation and ignorance. They are aware of the luxury lifestyles of the elite, as well as of resident foreigners and tourists. External aid may address some needs but its appearance in the villages is too often in the form of the luxury Mitsubishi Pajero. The villager is expected to turn out for meetings to thank those who give a loan to buy a goat, but then sees the enormous gap that remains between his lifestyle and that of the aid-givers. If the villager comes to Kathmandu he may be unable to meet aid staff because they are involved in a constant round of ‘workshops’ at luxury hotels. By allowing extravagance in its own processes, and spending disproportionate amounts on its own machinery rather than on the poor, aid has become part of the problem—a cause of conflict.

1.3. Social exclusion

30. Power and resources are concentrated in the hands of the elite, but the elite also possess a monopoly of social status. The elite comprises Brahmans, Chetris and some assimilated Newars (who may also be Brahmans). The elite is characterised by Aryan ethnicity and Hindu religion. The excluded groups include the lower Hindu castes and dalits (‘untouchables’), but most of ‘the dispossessed’ belong to indigenous Tibeto-Burman ethnic groups and are more likely to be Buddhist, animist or of no strong religious view. Social status is strongly linked to caste and ethnicity, and what a person can do is linked to status.

31. Aid agencies, for example, are supposed to serve the poor but are staffed almost entirely by non-poor groups, and there is a very high concentration of Brahmans. The reason is not necessarily that caste considerations have been used overtly in recruitment—although this does seem to happen. But suitability for jobs is often based on behaviours associated with the elite social groups. Education is given immense importance, and acts as a barrier to prevent low caste and poorer groups from finding jobs. As education becomes more expensive, more exclusion (grievance) is created on one side, and more need for financial recompense (greed) on the other. In this way the recruitment of staff into aid agencies—as an example—has become a vicious circle of self-perpetuating oligarchies.

32. Cutting across these divisions is the oppression of women. Roles in the family and in public life follow traditional demarcations that have been set and maintained by men. Women exclusively maintain the house and care for children. In rural areas they fetch water and firewood and are responsible for the vast majority of agricultural work and care of livestock. Demarcations apply not only in the household but also in public life.
Women are expected to fulfil secondary or supportive roles and never to take the lead. Women who try to do so are likely to be ridiculed and humiliated. This form of social exclusion applies right across society, from the powerful upper-caste groups to the poorest. The consequence of offending a man can be domestic violence, social disgrace and destitution.

33. The absence of women from public life may have consequences for national policy. Women’s greater interest in the health and welfare of children has not been mobilised in support of Nepal’s failing health services. In aid programmes the lack of women’s voice has perhaps been one of the reasons why aid has achieved so little. The issue is emphasised here partly because it is an element in the conflict –the Maoists have been remarkably successful in recruiting women. But it is also raised because it may be an issue on which there is sufficient consensus for something to be done.

1.4. Aid as a cause of conflict.

34. Aid agencies have given a great deal of attention to corruption in government, but much less to the widespread perception that aid is part of that process. Is it right that the manager of an aid project should earn eight times as much as his counterpart in government? Government salaries are so low that even the most principled people become corrupt in order to support their families. They sometimes justify themselves by referring to the much higher salaries paid by the aid agencies, and the need to maintain similar status. Aid causes inflation in social expectations.

35. Because much higher salaries are paid by aid agencies there has been an inevitable exodus of talent from public service. Even the allowances paid for attending workshops by some aid agencies (DFID is a notable exception to this practice) represent a considerable income for some government staff and may ‘force’ them to attend. In such circumstances they may attend the meeting simply for the money. In such ways –and there are many others- aid inadvertently undermines governance. But it also develops a false discourse in which aid professionals are mouthing discussions about serious issues without actually engaging in them. The same applies to civil society. Money from aid donors is essential to their survival. Therefore they adapt their discourse to suit the donors.

36. But aid also undermines governance in a more structural way. Because aid dominates government spending for development (the entire development budget in the current year is funded by donors), citizens are unable to hold government accountable. They might expect their elected representatives to be responsible for roads, health and education services but in most cases the responsibility has been passed to donors, making a mockery of elections. This occurs on such a huge scale that it undermines the ‘Social Contract’ between the people and the state, and renders democracy itself ineffective.

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6 The case in point was a UNDP manager in Kaski District –but such differentials are the rule rather than the exception.
Section Two: Conflict Actors

37. Within the political elite there is intense and increasing competition for power. Observers say that a significant shift has occurred in the role of the Palace. Since King Gyanendra took over from his assassinated brother in mid-2001, the Palace – according to this view- has played a more active role in politics, notably in agreeing to the deployment of the Royal Nepal Army and in developing a close relationship with the Prime Minister. The Palace view on the question of a political settlement with the Maoists is not known, because no official statements are made, but it is widely considered that the Palace has no intention of allowing its own powers and influence to be diminished. Favourable outcomes for the Palace would be the defeat of the Maoists or the opportunity to wield greater power on the basis of responding to a Maoists threat. This allows the Maoists to go unchallenged in portraying the conflict as a war between monarchists and democracy.

38. Military support for Nepal from the US, Britain and India may have encouraged the government to seek purely military solutions rather than address the underlying causes. The rhetoric of the ‘war against terrorism’ (which even in Kathmandu is treated with a certain wry humour) has become an easy way for the political elite to deflect international attention from serious internal deficiencies of governance.

39. The government is yet to prove that it can address the underlying grievances or limit greed and corruption. Since the ‘London International Meeting’ in June, some progress has been made in implementing a limited package of measures on corruption and decentralisation. However, there is no sense of a radical change, corrupt ministers have kept their positions and politicking as usual has continued. The international community recognises the potential for massive leverage on the government (through budgetary support and aid) but fear of pushing the State into failure will mean they are unlikely push the government too far or too hard. But the recent erosion of democratic systems and human rights has evoked some new and stronger expressions of disquiet.

40. The decision in July to allow local elected Councils to lapse caused some donors to withhold funds for projects that require the participation of local government. A major multi-donor programme designed to support the development of such Councils must now be in doubt. If government can sweep away the Councils for months at a time it is clear that it lacks commitment to decentralisation.

41. During the summer of 2002 the Maoists had been quiet and there appeared to be no communication between the two sides. The Maoists had offered to hold talks, and the government had, in effect, repeatedly turned this down by demanding their surrender as a pre-condition. The full deployment of the army eliminated many of the Maoist cadres, and weakened the movement in some areas -but also drew in new cadres because of excesses by the security forces, and created tensions even among the middle classes.

42. Most recently the Maoist attacks in Sindhuli and Argakhanchi have demonstrated that the Maoists still have the ability to inflict humiliating defeats on the security forces. This has led, observers say, to the re-establishment of back-channels of

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7 Local Government Support Programme (LGSP)
communication between Prime Minister Deuba and the Maoist leadership. The intensification of conflict has created pressure to postpone the elections. Events have also reinforced the view that no military solution is possible. Why then, has the military strategy been the government’s only response? The Maoist tactic of vigorous military activity combined with threat and the offer of negotiations has put huge pressure on the government. It may well force the government back to negotiations, perhaps in the teeth of opposition from the security forces.

43. In the meanwhile there is an opening to prepare the ground for more successful negotiations than in the past. This might include modifying the behaviour of the security forces by greater respect for human rights. Whether the political elite is prepared to concede real power remains an open question. The international community should be ready to back any real effort to take back the development agenda into government.

44. Peace talks will also require a climate of openness and unrestrained debate. Regrettably, censorship and threats against the newspapers have diminished the respect for Nepal’s media. There is a lack of any serious analysis of the war and it has become more and more difficult for citizens to understand the Maoist perspective, and therefore engage in debate about solutions through negotiation. Although books remain free of controls and there are some remarkable publications available in Kathmandu, they are not widely read and have little influence...

45. Government likes to dissociate the Maoists from genuine social grievance and apply military force as its sole response, invoking international support for a ‘war against terrorism’. But the situation so far is nothing like that. Events are few and far between. The Maoists have targeted government buildings and staff. There have been no proven cases of random terror by the Maoists. Tourists and international staff remain free to travel even in difficult areas. The result of escalating military activity could be to create exactly the situation it is intended to stop. The Maoists have not yet used terrorist tactics on any significant scale, but there is a danger that they will be tempted to do so. Kathmandu, for example, is an extremely easy target.

46. The international community needs to take back the development agenda from the Maoists and inject it into the government, but to do so they will need to put their own house in order and focus much more sharply on behaviours and standards.
Section Three: Conflict Dynamics

47. The Maoists have been able to expose major rifts in the political establishment. Currently these rifts take the form of a schism within the Nepali Congress, but there is a dangerous potential for the rifts to spread along religious, caste and ethnic fault-lines.

48. Despite Nepal’s constitutional status as a ‘Hindu Kingdom’, a significant proportion of the population are neither Hindu nor Aryan. Some regard the rise of the Rana dynasty (the current monarchy) as a temporary historical phenomenon. More than half the population do not speak Nepali as their first language. There are nationalist movements in various parts of the country, and a general distaste for Kathmandu politics. The Maoists seem willing to support nationalist causes – notably the Kirat Liberation Front, the Limbuwan, the Magar, and the Tharu – and have encouraged them to believe that under the Maoists they would have the right to self-determination.

49. Observers fear that the Maoist insurrection could at some point develop into a major confrontation between Aryan/Hindu and non-Aryan/Buddhist populations. Currently, political and military power rests firmly with the Kathmandu Hindu elite, but if that elite becomes more outwardly associated with Hindu nationalism (like the BJP in India), opposition could focus more strongly around religious and ethnic issues. But would such a scenario address any of the underlying problems? It might simply consolidate power in a greater number of nationalist elites without addressing issues of poverty and justice.

50. A second major danger is that the conflict may develop economic interests around its perpetuation. Already, the Palace has been able to extend its influence because of the conflict, but the greater danger would be for the Maoists to become engaged in activities so lucrative that they became an aim in themselves. Initially the Maoists raised funds by looting banks but this has become more difficult as time has gone on. Subsequently they seemed to rely more heavily on ‘voluntary’ contributions, but so far this has not developed into what might potentially be an extortion racket raising substantial amounts. Shopkeepers who refuse to contribute often get away with their resistance. Another possibility is for the Maoists to establish their own territory and exploit its resources, notably timber. Smugglers have begun to take advantage of the lack of law and order in the south to expropriate timber, but there is no evidence of systematic collusion by the Maoists.

51. In conclusion, while there are considerable dangers in the current dynamics the conflict has not developed such an internal logic that it cannot be stopped by rational negotiation. This perhaps makes it regrettable that the problem is being treated as if it were worse than it actually is.
Section Four: Current Responses and Policy Options

4.1. Government

52. **Poverty and development.** For many years aid to Nepal has rested on the assumption that its role was to ‘enable’ a willing but poor state to deliver on governance and poverty-reduction objectives. Despite an extremely high level of external aid progress has been disappointing and Nepal remains one of the world’s poorest countries, with some of the worst statistics\(^8\) of political, economic and social exclusion. It is surely time to question aid programmes that are not explicitly aimed both at direct delivery of economic benefit in the poorest areas (water, roads, schools, health etc). Secondly, projects should be rigorously tested for their ability to promote political inclusiveness, notably the representation of ethnic minorities and women.

53. Corrupt practices take resources away from poorer people and concentrate them in the hands of the elite. Unless corruption is reduced there will never be a significant progress towards development targets. But in spite of recent actions, there appears to be no political will to tackle this issue. Unless strong pressure is applied from inside and outside there will not be change: this endorses the current donor position of attaching conditions to possible future budget and sectoral support.

54. The ‘London meeting’ identified a list of general areas for attention. The government has come up with an action plan\(^9\). The problem is that most of this agenda is what would have been on the table anyway, and basically amounts to the usual elements of governance. A number of studies have charted out courses for what needs to be done\(^10\). But there seems little prospect of action unless the incentives and interests change.

4.2. Ending the conflict.

55. **The conflict will not be ended without negotiation**. This point was made by many respondents during this study and was strongly expressed during a workshop on conflict analysis. So long as the government relies on purely military means more people will turn to the Maoists, and the Maoists will develop more dangerous tactics. If the situation is mishandled, Nepal could become a harbour for ‘real’ terrorist groups operating in the surrounding countries. The solution lies in undermining the Maoists agenda by taking it back into government. Escalating violence will simply lead to a militarised state. Therefore it is in the wider interests of the international community to press for a resumption of dialogue.

56. In terms of conflict dynamics it is also important. There is a danger that without any form of dialogue the two sides may polarise further to the point that they are unable to recognise any form of legitimacy in the other. This would mean that a negotiated settlement would become more and more difficult and might become unacceptable to the constituencies of the protagonists even if they themselves at some future point wanted to hold talks.

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\(^8\) During the 1990s the numbers in absolute poverty fell from 42% to 38%, but this small gain will have been reversed by the conflict. The position of women did not improve even during the aid-rich 1990s.

\(^9\) *Immediate Action Plan of His Majesty’s Government to Expedite Reforms*

57. There is little immediate prospect of a government in Nepal adopting the kind of radical reform agenda that would fundamentally undermine support for the Maoists. But an opportunity exists to build on the level of consensus about the causes of conflict. There is widespread agreement about the causes but much less about the action needed to address the causes. It may be possible to engage key actors in political parties and government in a process of identifying realistic areas for progress. If there were enough consensus, for example around the issue of women’s representation, it would at least represent a way forward that might later become an entry-point for a wider and more challenging agenda.

4.2. Deficiencies of aid
58. One of the grievances expressed by the Maoists is that relatively little aid reaches poor people, and there should be much more emphasis on direct delivery. Basically, they are right. Recent trends of thinking in Western aid agencies have tended to favour capacity-building and policy development over direct delivery. This has interacted with the Brahminical culture of the Kathmandu Valley that also favours highly sophisticated discussion rather than delivery of direct benefits to poor people. In Kathmandu aid circles it is not uncommon to find direct delivery projects in roads, water and micro-credit disregarded as ‘old hat’ or ‘dirty’ compared with new aid models that are based on ‘vision’ and ‘empowerment’.

59. In one case a small NGO with just 9 volunteer staff had attended 30 workshops in 2 years. In just one year a medium sized NGO\textsuperscript{11} (81 staff) spent over 3,800 person-days (47 days per person) at workshops and trainings, nearly half of them in Kathmandu. The result is that very little aid money escapes from Kathmandu, and even smaller amounts actually reach the hands of poor people in the form of ‘direct delivery’. Judging (subjectively) from a range of programmes viewed in recent months, as little as 10% of aid budgets actually reaches poor people.

60. Kathmandu aid culture has further negative effects when it extends out to the Districts and villages. An unfortunate consequence of the ‘capacity-building and workshop’ culture is the exclusion of women. Studies suggest that village women work for 18 hours a day. For women, time is scarce and therefore an aid culture that demands participation in many meetings is a form of discrimination. It is far more difficult for women to attend such meetings than it is for men. Despite much noise about women’s empowerment, and targets for their participation, in practice the representation of women in aid programmes is very low. This becomes a vicious circle – with programmes designed without women’s input, the programmes often lead to greater burdens on their time.

61. Another issue that deserves attention is the extraordinarily vertical structures of aid organisations and the long chains of organisations that stand between the people and the aid intended for them. In a typical aid structure a ‘Supervisor’ may have just two staff to supervise and no obvious role of their own. Budgets include huge offices in Kathmandu, but staff in the field report that they have no support. As money flows from donor through contractors and sub-contractors more and more is taken in overheads. One reason for this may be a lack of management expertise in the donor

\textsuperscript{11}Solve Nepal – see Annual Report 2000
agencies. There is a need for more modern and commercial management systems, and horizontal forms of organisation.

62. Underlying many of these faults is a lack of attention to cost. Unfortunately it is the case that many aid managers measure their status more in terms of the size of their budget rather than the quality and cost-effectiveness of the work.

63. These issues may not be the most important, but they clearly lie within the capacity of donors to address. Even if the international community is unable to tackle corruption in government and other fundamental deficiencies of governance there is no real obstacle to getting their own house into better order. Indeed, it is hypocritical for aid agencies to be laying so much blame on government when they have not looked into the mirror of their own achievement and practice.

64. It should not be difficult to give strong backing to studies by anti-corruption bodies and to promote collective work on standards and norms. It would be a useful exercise to examine exactly where money is actually going in aid projects and test the assertions made in this paper that as much as 90% never reaches poor people. But the danger of ‘Kathmandu culture’ is that all issues become diverted into studies (like this one, perhaps) and long conferences that lead to no action.

65. What is needed is an action-oriented process, and that needs the personal backing of the most senior figures, their willingness to ‘open up the books’ and their close monitoring of the process. A high-level donor group on aid practice would be a good start. The agenda could include development of standards for the ‘industry’ and codes of practice including such issues as pay levels.

4.3. Civil Society

66. Donors have been responsible for a huge expansion in civil society and also for the development of a contractor-culture within it. There are moves from within civil society to try to preserve the less commercial elements in civil society and build up codes and systems based on values. One of the burning issues, for example, is the common practice of ‘cramming’ NGOs with members of the same family. This opens up the way for corruption and also makes it very difficult for non-family members to raise issues. The representation of poor people in NGOs is generally very low indeed. Donors should encourage initiatives that lead to greater representation of poor people and better standards in general.

67. Reports on such issues have already been written by Transparency, Pro Public and others. In short there is a need for-
   - A general Code covering the ethics of development-oriented civil society
   - A specific Code covering transparency and accountability
   - Targets for the Direct versus Indirect delivery of aid

But the problem is that funding cannot create the desire for reform. Instead donors may need to consider making compliance with some basic standards a condition of their support, and even supporting regulatory processes.

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12 Sharma, M (2002) includes a powerful wake-up call to civil society.
68. One of the policy options considered in making this report was to focus more attention on the Poverty Reduction Strategy Papers (PRSP) process led by the World Bank. The PRSP is relevant to conflict not only because it addresses one of the fundamental causes – poverty – but also because government is obliged to consult with civil society. This opens up the opportunity for the representation of the voices of the poor in a process that has a huge potential impact on government strategy and is directly tied to conditions surrounding aid. If the PRSP process is unsatisfactory, the World Bank and other institutions are supposed to withhold assistance.

69. The problem in the Nepal context is that there is so much ‘contractor-culture’ in civil society that it is in effect possible to ‘hire’ civil society representation without in any way increasing the voice of poor people. The argument goes back to the need to reform and clean up civil society if the PRSP process is to be successful.

70. But the two processes could go together. If donors take a firm line on the quality of civil society representation it could be a way to improve civil society and set higher standards. Similarly, donors have an important tool in the PRSP that they can use to address issues of exclusion.
Section Five: Conclusions

5.1. Summary
71. Up to now the interests of the elite group have been served by excluding others, but the Maoist threat is opening up serious political and economic fissures. The culture of impunity creates insecurity for everyone outside the narrowest circles of the elite. The pressure of middle-class life is increasing—the spectacular life-styles of the richest people create grievances even within Kathmandu culture itself. Moral values and personal standards interact with the realpolitik of greed and corruption. Prospects of rigged elections, widespread violations of human rights and the possibility of autocratic power fill Nepalis of all persuasions with a sense of uncertainty.

72. In this state of flux aid agencies face a real dilemma. Aid through government fails to achieve results, while aid outside government undermines the Social Contract, and may reduce pressure for long-term democratic change. There is also evidence that by channelling funds through civil society organisations, aid has corrupted that too. Where should aid agencies begin in reversing this vicious spiral?

73. Increasingly donors are using their influence to lever concessions, such as the trial of 22 officials accused of corruption following the London meeting, but the general experience is that the ‘Midas Touch’ of government turns all projects into gold for some rather than instruments of change for all.

74. In a situation of narrow options it may be an opportune time to focus on the process of aid itself, and begin by getting the aid ‘house’ into order. Despite their aim of helping the poor, aid agencies are just as likely to be staffed by people from the elite as are government offices. Aid agencies criticise government for not reaching out to the poorer areas, but the proportion of aid money remaining within Kathmandu and used for overheads, conferences and trainings, is similarly high.

75. Because aid agency staff are highly paid the temptation to direct corruption should be less than for government staff, but there is a perception in some sections of Nepal’s civil society that aid is highly corrupt. Observers differentiate between active and passive corruption. Active corruption means taking money for favours in contracts and jobs. This is regarded as particularly rife in engineering contracts but also takes the form of caste-based mafias inside aid agencies that make money out of allocating jobs. Passive corruption is the kind of junketing that surrounds conferences and workshops, and the huge fleets of four-wheel drive vehicles that remain in Kathmandu compounds while remote villages are never visited.

76. Conscious of their high overhead costs, donors have contracted out projects to intermediaries. This may mask the overheads in the donor’s own accounts but may not decrease them. Instead another swathe of funds is cut before anything reaches the villages. More seriously, this style of working creates a ‘contract-culture’ in what is supposed to be an area of principle and commitment. In practice many of the implementing ‘partners’ at all levels are businesses specialising in the aid market.

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13 In 2000 upper castes accounted for 35% of the population but 95% of the civil service, 98% of army officers, and 78% of political leaders (DFID internal study 2002).
77. The problem is not simply the inefficient use of funds but the erosion of values in civil society, or one might say the erosion of civil society itself. Fortunately there are signs that some Nepali organisations are questioning these processes, becoming wary of donor funding and trying to create codes and standards. But meanwhile the status of NGOs has fallen to the point that, in Kathmandu at least, there is little possibility of local funding for civil society or volunteer support.

78. In conclusion, corruption runs through the entire machinery from government through donor agencies to civil society. But there is a noticeable difference in some of the outlying areas where local organisations and aid staff are much more closely in touch with the pressing needs of the people. Donors have tried to build on a constituency in government and have found, in general, that it lacks the political will to deliver change and reform. They have tried to build on civil society and found that their own money corrupts the tool that they had hoped to wield. The issue now is to listen for voices that are not driven by greed, and that do not dance to the tune of donor money. These voices are not so very isolated. All over Nepal there are people working to reverse these dangerous trends. While maintaining the strictest focus on the eradication of poverty, donors can afford to do more listening, and to delicately encourage a process that builds a national consensus among Nepalis who believe in the future of their country, and all its inhabitants.

5.2. Strategic Responses to Conflict:
-proposed areas for action by the international community

5.2.1. Long-term view: elections
79. In the long run the only solution to conflict in Nepal is the development of democracy and in that respect the most crucial issue is to ensure that elections take place and that they are properly conducted. The next elections in Nepal may determine the survival of democracy. They are likely to be attended by coercion, violence and misbehaviour. By custom UNDP has monitored elections for the international community but the pressures on the next elections will be so great that this may no longer be appropriate, especially given UNDP’s close relationship (and bilateral agreement) with government. Instead the UN Secretary General should be encouraged to nominate a Special Representative, with access to the resources of the UN system in Nepal but completely independent.

5.2.2. Medium-term view: upholding standards
80. In the medium term—the next year—this report focuses on four areas for action by the international community—
   - Human rights
   - Standards in aid
   - Representation of women
   - Representation of ethnic minorities

81. Human Rights. Arbitrary arrests, torture and disappearances on a large scale call for a re-alignment of international policies towards Nepal. While the provocation from the Maoists is real, and there are many cases of human rights abuse by the Maoists also,
the huge majority of violations are perpetrated by the Army. The problem has escalated from violations against suspects to violations against the defenders of human rights, notably lawyers who try to represent the accused in courts and medical staff who try to treat them. The security forces now treat a lawyer acting in defence of a ‘terrorist’ as a ‘terrorist’ himself. Doctors are afraid to treat anyone with wounds that might indicate they had been engaged in fighting for the Maoists.

82. Aid programmes have not yet faced up to the issue of human rights, but it affects them directly and personally. Throughout the country, the staff and partners of aid programmes, especially in community-based organisations, face the possibility of harassment, imprisonment and torture without any redress. Aid agencies are aware that this is the case, but have not yet instituted mechanisms and policies to deal with it. In a country receiving such massive amounts of aid this raises a direct moral question for the international community. Should aid continue at all? Forthcoming studies by Amnesty International (to be published early November) and others are certain to bring the extent of the problem into the public consciousness both nationally and internationally.

83. Aid agencies will be criticised if they continue to ignore the issue. They now need policies on human rights abuses that they encounter in the course of their work. It is not acceptable in the West for their aid organisations to ignore the imprisonment and torture of ‘partners’. Donors should institute systems for documenting human rights abuses in their own work and also set up mechanisms by which these concerns can be raised with the appropriate authorities. National and international human rights monitoring should be fully supported, and donors should consider linking compliance with international standards to the further supply of aid, especially military aid.

84. **Standards in aid.** The recent Project-Level Conflict Assessment of DFID programmes suggests that the real impact of many programmes is not being measured and may be low compared with the resources being applied. Monitoring systems tend to record whether a programme has completed the activities envisaged when it was designed, but not whether it has actually made a difference for poor people. The number of training workshops conducted, for example, becomes an end in itself. In a context of grievance caused by the failure of aid to deliver results, this simply compounds the problem, rewarding the wrong type of activity.

85. There is a justifiable perception that the majority of the financial input is ‘eaten up’ in overheads, workshops, capacity-building and other secondary activities. While these activities are doubtless intended to bring about long-term benefit, the balance between direct and indirect delivery now seems to be far out of proportion. Aid agencies should review their programmes to restore a reasonable balance and in the current context give greater emphasis to Direct Delivery. They should also develop simple low-cost mechanisms for impact assessment.

86. But the crisis in civil society is so serious that genuine NGOs will need to protect themselves from the reputation being earned by others. There is a need to develop norms or Codes of Practice for donors as well as civil society. Donors should support and engage in initiatives from within Nepal’s civil society to address these issues.
87. **Women’s representation.** It has become the norm for aid programmes in Nepal to mention the importance of women in their documentation, and in workshops it is not long before audiences are reassured that ‘women’s empowerment’ is high on the agenda. Many projects have set targets for women’s involvement, and single out women’s groups for funding. But none of this addresses the fact that most women are too busy to take part in these programmes, and are unlikely to get support from their husbands in order to attend. Until aid programmes address this issue the representation of women, and especially of poorer women, will not improve.

88. Many projects intended to benefit women actually make things worse by adding further burdens on their time. A woman encouraged to grow vegetables or keep animals will have to add this task to all the others. She will not be relieved of anything, and when it comes to selling the produce it is very likely that the man will collect the money. Such projects may find their way into reports as ‘women’s involvement’ but they may have no positive impact in terms of women’s lives.

89. Aid programmes should develop explicit strategies to ensure that women’s representation is not simply a piece of wishful thinking but a realistic proposition. This means that the times of activities may need to be better suited to women’s schedules, provision may need to be made for domestic support, special women’s support groups should be encouraged and men should be challenged to share labour roles more evenly. It would be an appropriate time for donors to raise this issue up the agenda and set down careful parameters to ensure that women are better consulted and that they play an important role in the management of aid programmes. This may mean positive discrimination, or at the very least ‘affirmative action’ to transform aid structures not simply to include women, but to include poor women and allow their voices to be heard.

90. **Ethnic Minorities.** Nepal’s constitutional protection of caste and ethnic minorities is much weaker than India’s. There is no legal form of positive discrimination and no significant reservation of educational opportunities or jobs. This allows current inequalities to persist and leads to perpetuation of abhorrent social practice such as untouchability. Even today, dalits in Nepal are likely to be refused food in tea-shops, or may find that the vessels they have used are ostentatiously purified.

91. The major issue is the lack of opportunity for those from non-elite groups to change their position in society. There is virtually no social mobility. The dominance of the elite has been the subject of much commentary but aid agencies have not begun to tackle it even in their own offices and projects. A short survey of the ethnic, caste and religious composition of staff in projects related to DFID indicates a massive over-representation of the Male/Brahmin/Chetri/Newar group in senior positions, and a corresponding lack of women and minorities in positions of power. There is reason to believe that DFID may actually have better representation than many other major donors. In several DFID projects serious steps had been taken to address the issue. But DFID, along with government and practically the whole international community (CARE is an exception) lacks institutional policy to address the problem. And yet it is particularly inappropriate that aid programmes intended to ‘empower’ women and minorities, do not themselves have policies to promote equity.
92. In staff recruitments aid agencies impose educational requirements that discriminate against the poor (education is very expensive), minority groups and women. These requirements reflect the ‘workshop culture’ that places greater emphasis on discussions in the capital than the ability to talk with and understand poor people. Requirements for reporting, use of aid jargon and use of abstruse methodologies all work to exclude people from outside the Kathmandu culture. Selection boards are likely to perpetuate the dominance of the existing group by rewarding types of behaviour that they recognise as belonging to their own group. This may conceal nepotism under the guise of objectivity.

5.2.3. Short-term view: humanitarian needs.
93. Most of those displaced from their homes by conflict are not poor. It has mainly been elite groups who have come to Kathmandu or moved to District towns. But the conflict is also beginning to generate acute humanitarian needs – and this is mainly inside the areas of conflict. The migration of able-bodied people out of the conflict areas, imposition of blockades and disruption of commerce have caused destitution and raised the prospect of starvation\(^{14}\). It seems likely that an ICRC survey to be conducted in October/November will confirm a need for direct delivery of relief assistance to destitute people. No doubt donors should respond to these needs. But it is important to use the issue as an opening for negotiation and to establish the right of access to areas of conflict for impartial organisations, under the Geneva Conventions. So far government has tended to put its conflict response above the scope of international law. In the coming months it is important that donors work collectively to assert the ‘humanitarian imperative’.

94. At the same time donors should grasp the opportunity to open a space for wider negotiations and an opportunity to press government to re-open channels for communication. There may be opportunities to declare some areas ‘zones of peace’ and to resume development work by the agreement of both sides. It is also possible that natural disasters may present similar possibilities. Donors should prepare contingencies to respond to natural disasters in contested areas, using the opportunity to re-establish contact and re-start wider programmes.

5.2. Mechanisms for change

95. The PRSP process. Donors could use the PRSP to achieve three primary conflict-related objectives-
- Improving standards in civil society by selecting representation carefully
- Focusing on the exclusion of women
- Focusing on the exclusion of ethnic minorities

96. Donor co-ordination group on Human Rights. There is an urgent need for a donor group to deal with this increasingly problematic issue. DFID seems as well placed as

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\(^{14}\) Martinez, Dr E (2002) Conflict-related displacement, Nepal USAID, Kathmandu
any other organisation to take the lead\textsuperscript{15}. The group could help to develop procedures for monitoring and documenting human rights abuses affecting aid programmes and also to take action on specific cases as necessary. A collective approach is much more likely to be successful than individual strategies by different agencies.

97. \textbf{Donor co-ordination group on Aid.} This group could seek to develop norms for issues such as salaries, direct delivery, transparency, accountability and impact assessment. It could also help to support similar processes in civil society.

5.3. Summary of Proposals to the International Community in Nepal

- Request the UN Secretary General to develop a contingency plan for monitoring elections.
- Develop a conflict perspective within the PRSP process
- Institute systems for monitoring human rights violations encountered in the course of aid programmes.
- Set up a donor co-ordination group on human rights
- Be ready to link human rights performance to development and military aid.
- Set up a donor group to develop standards for aid and a Code of Practice to include-
  - Targets for direct delivery
  - Recruitment policies to ensure better balance of staff
  - Consideration of affirmative action in favour of women and minorities
- Develop plans to respond to humanitarian needs

\textsuperscript{15} As the situation polarises it may be difficult for the UN to maintain a lead position on conflict-related issues, as in the Peace and Development Trust Fund. The UN’s close bilateral relationship prevents it from being in any way a neutral player. This raises a question about election monitoring.
### Matrix: SCA Nepal - an agenda for action

<table>
<thead>
<tr>
<th>Aim/Objective</th>
<th>Actor: Government</th>
<th>Activity: Donors</th>
<th>Activity: Civil Society</th>
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<tbody>
<tr>
<td><strong>1. Limit Violence</strong></td>
<td><strong>Develop common agenda through Strategic Conflict Assessment (SCA) process across government and Parties</strong>&lt;br&gt;<strong>Develop options for peacemaking based on process above</strong>&lt;br&gt;<strong>Promote international humanitarian law (IHL) including free access for all forms of aid</strong>&lt;br&gt;<strong>Prosecute violations of human rights</strong>&lt;br&gt;** Extend monitoring through NHRC**&lt;br&gt;<strong>Ensure protection of human rights activists and aid workers</strong>&lt;br&gt;<strong>Promote respect for IHL</strong></td>
<td><strong>Support and participate in SCA-action plan process</strong>&lt;br&gt;<strong>Develop options for dialogue based on process above</strong>&lt;br&gt;<strong>Use local access to promote dialogue and acceptance</strong>&lt;br&gt;<strong>Develop donor group on human rights</strong>&lt;br&gt;<strong>Set up monitoring systems in each agency</strong>&lt;br&gt;<strong>Promote respect for human rights in security forces.</strong>&lt;br&gt;<strong>Take decisive action on abuses.</strong></td>
<td><strong>Participate in SCA-action plan process.</strong>&lt;br&gt;<strong>Develop local channels for negotiation and access</strong>&lt;br&gt;<strong>Develop constituency to press for negotiation</strong>&lt;br&gt;<strong>Form coalitions to address corruption in civil society</strong>&lt;br&gt;<strong>Develop systems for HR monitoring in all activities including HR committees at local and District levels</strong></td>
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<tr>
<td><strong>2. Limit Corruption (Greed)</strong></td>
<td><strong>Prosecute corrupt public officials</strong>&lt;br&gt;<strong>Define transparency and accountability</strong>&lt;br&gt;<strong>Use budget presentation to clearly expose/limit corruption</strong></td>
<td><strong>Make anti-corruption strategy and prosecutions a condition for IFI support</strong>&lt;br&gt;<strong>Monitor and publish direct/indirect aid delivery</strong>&lt;br&gt;<strong>Develop standards and codes for transparency and accountability</strong>&lt;br&gt;<strong>Ensure credible monitoring of forthcoming elections</strong></td>
<td><strong>Form coalitions to address corruption in civil society</strong>&lt;br&gt;<strong>Develop standards and codes defining transparency and accountability</strong>&lt;br&gt;<strong>Develop budget analysis tools</strong>&lt;br&gt;<strong>Prepare to support election monitoring</strong></td>
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<td><strong>3. Promote equity (address Grievance)</strong></td>
<td><strong>Set ethnic/gender targets for employment and procedures for affirmative action (differentiate by levels of authority)</strong></td>
<td><strong>Make ethnic/gender targets a requirement in aid projects</strong>&lt;br&gt;<strong>Monitor the targets and take affirmative action</strong></td>
<td><strong>Establish a code of good practice on ethnic/gender issue</strong>&lt;br&gt;<strong>Promote affirmative action in civil society, donors and government</strong></td>
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<td><strong>4. Relieve Suffering</strong></td>
<td><strong>Allow unrestricted access for humanitarian aid to conflict areas</strong></td>
<td><strong>Develop strategy for access, including ‘zones of peace’ and natural disaster response linked to negotiation</strong></td>
<td><strong>Develop strategies and contingencies to assist neediest persons in conflict areas</strong></td>
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