

Nepal updates as of January 2012.

The Peace process

A major breakthrough in the ongoing peace process, the much-awaited voluntary retirement of Maoist combatants (People Liberation Army, PLA) began in January 2012. The prime minister-led Special Committee is all set to initiate the process to bid farewell to those combatants who opted for voluntary retirement during the regrouping process. The PM also directed The Chief of Nepal Army to initiate the integration of Maoist Combatants in to Nepal Army. Among Maoist combatants who are in cantonments 7,365 have volunteered to take retirement and 9,000 have shown interests in integration but all political parties have agreed to integrate only 6,500 of them.

The Cabinet had released Rs 1.97 billion to the Peace Ministry to make the first installation payment to the combatants. The Secretariat has decided to issue account payee cheques to each of the combatants and deposit amounts in their bank accounts. Apart from the first installment of the



cash package of Rs 500,000 to Rs 800,000, the Special Committee has decided to provide cash allowances to the departing combatants. Combatants leaving for their homes in the Tarai, Hills and Himalayan districts will get Rs 2,000, Rs 4,000 and Rs 8,000, respectively, as transportation allowances.

The grand farewell to these volunteer retiring combatants will be on 13 February 2012. Till then they will remain in the cantonments.

Federalism and state restructuring

The State Restructure Commission (RSC) which was commissioned in 21 November 2011 has submitted its reports to the Government. The SRC failed to offer way out and did not deliver grounds for further consensus on federalism and related issues. The 9 member commission split into two factions. The Chairperson joined majority group (n=6) and the minority group (n=3) disagree with the majority group.



The Constituent Assembly committee has earlier proposed 14-state model based on ethnicity and language, which was endorsed by majority but not consensus. The majority camp in SRC presented 11- state model, including a non-territorial state for *Dalits* (so-called untouchables) based on language and ethnicity. Similarly, the minority camp proposed 6-state model based on capability, each state sharing boarder with China and India.

The two conflicting reports of the SRC, which many believe failed to offer a solution to the key contentious issues of constitution writing, have spurred heated debates among the parties, intelligentsia and the general public. However, the report has recognized three important issues: i) 14 states is too many so it has to be reduced between 6 and 10, ii) there is no need of preferential political rights at provincial level, and iii) *Dalit* is a cross-cutting issue and need to look across all states.

There are number of dissatisfaction and anger shown to the SRC report.

Constitution drafting rescheduled

There are number of differences among the political parties in state restructuring, Government system and other issues. To accommodate these issues and develop a common understanding and consensus, the Constituency Assembly has rescheduled the constitution drafting action plan.

Supreme Court denies Government decisions.

The current Government id led by largest party in the Parliament the Maoist party, but they do not have majority in the house. Alliance of regional parties Madeshi Front has backed the Maoist Government. Since its formation in September the Government has made number of unpopular and controversial decisions. These decisions were challenged in the Supreme Court and in many cases the Court has scarped many decisions and asked not to implement the decisions.

One of the major issues is the extension of the tenure of the Constitution assembly (CA), which has elected for a period of two years. Upon completion of the initial 2 years and failing to develop the Constitution, the CA term was extended for a year period and followed by two three months and a six months extension. The Supreme Court (SC) has decided the six month extension as a last extension. Failing to develop the constitution within the stipulated time of six month, the SC asked to look for alternative such as reelection, referendum etc. As a result, a tension between Legislation, Government and Supreme Court has been arisen.

Multi stakeholder Donors

An agreement has been done between Donors and Government of Nepal for the implementation of climate responsive community forestry programme. The Government of Nepal has endorsed a policy for multi-stakeholder strategy and programme. The strategy enables local community to manage the forest resources by the users for household use and community development. The Programme is supported by DfID, SDC and Finland and will be implemented by national NGOs.