# Struggling for Stability

## International Support for Peace and Democracy in Post-Civil War Nepal

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# Contents

## Abbreviations

| | |
|---|---|
| ADB | Asian Development Bank |
| AMMAA | Agreement on Monitoring of the Management of Arms and Armies |
| APM | All-party mechanism |
| BMZ | German Federal Ministry for Economic Cooperation and Development |
| CA | Constituent Assembly |
| CIDA | Canadian International Development Agency |
| CPA | Comprehensive Peace Agreement |
| CPN-M | Communist Party of Nepal (Maoist) |
| DAC | Development Assistance Committee |
| DANIDA | Danish International Development Assistance |
| DDC | District Development Committee |
| DDR | Disarmament, demobilisation and reintegration |
| DFID | Department for International Development |
| DIE | German Development Institute / Deutsches Institut für Entwicklungspolitik |
| EC | Election Commission |
| FPTP | First past the post |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| ICG | International Crisis Group |
| IDEA | International Institute for Democracy and Electoral Assistance |
| INGO | International non-governmental organisation |
| JICA | Japan International Cooperation Agency |
| LGCDP | Local Governance and Community Development Programme |
| LPC | Local Peace Committee |
| NA | Nepalese army |
| NC | Nepali Congress |
| NORAD | Norwegian Agency for Development Cooperation |
| NPTF | Nepal Peace Trust Fund |
| NTTP | Nepal Transition to Peace Initiative |
| OECD | Organisation for Economic Co-operation and Development |
| OHCHR | Office of the High Commissioner for Human Rights |
| PAF | Poverty Alleviation Fund |
| PLA | People's Liberation Army |
| SDC | Swiss Agency for Development and Cooperation |
| SPCBN | Support to Participatory Constitution Building |
| STPP | Support to the Peace Process |
| SWAP | Sector-wide approach |
| TAF | The Asia Foundation |
| TRC | Truth and Reconciliation Commission |
| UCPN (M) | Unified Communist Party of Nepal (Maoist) |
| UML | Communist Party of Nepal (Unified Marxist-Leninist) |
| UN | United Nations |

| | |
|---|---|
| UNDP | United Nations Development Programme |
| UNIRP | United Nations Interagency Rehabilitation Programme |
| UNMIN | United Nations Mission in Nepal |
| UNPFN | United Nations Peace Fund for Nepal |
| USAID | United States Agency for International Development |
| VDC | Village Development Committee |
| VMLR | Verified minors and late recruits |

**Executive summary**

How can countries emerging from a conflict be supported on their path towards peace and democracy? Although this question has been the focus of recent attention, it remains unclear exactly what factors are critical to the success of external engagement in fragile states. To this end, this study aims to learn from the relatively successful case of Nepal.

In Nepal, the signing of a comprehensive peace agreement in 2006 ended a decade-long civil war and provided the basis for a more inclusive democracy. Since then, the international community has tried to support Nepal's peace and democratisation process in various ways. In order to learn from their experiences, this paper addresses two main questions:

1. Have the diverse donors and their strategies helped to consolidate peace and democracy in Nepal?

2. What are the factors behind successful support and what factors explain failures?

The analysis takes the political process in Nepal as its starting point and traces donor engagement through four critical junctures. Critical junctures are defined as decisive political events that have a powerful impact on the overall peace and democratisation process. The main argument behind this approach is that donors can claim to have impacted the overall process (which is nonetheless predominantly domestically driven) only if they have contributed to such decisive events. The analysis of each juncture consists of a number of steps: tracing the impact on the overall process, identifying the decisions, actors and institutions that characterise the juncture, attributing donor support to these and, finally, explaining either why donors were able to impact the juncture in certain way or why they failed to do so.

The four junctures analysed for the Nepalese case are:

1) the 2008 elections to the Constituent Assembly;

2) the dissolution of the Maoist Army;

3) the failure to institutionalise peace and democracy at the local level;

4) the failure of the Constituent Assembly to promulgate a constitution.

The 2008 elections to the Constituent Assembly (i.e. Nepal's constitutional assembly) were a vital step in Nepal's post-conflict process. The elections proceeded relatively peacefully and the result was broadly accepted. Generally, the elections provide a strong case for attributing a positive impact to international support. Donors contributed massive funds and donations in kind for the electoral infrastructure, supported the electoral commission, undertook high-level facilitation and were closely involved in monitoring the elections. This positive impact was possible because first, almost all donors rallied behind the common goal of supporting the elections, second, they shared a strategic prioritisation on stability, and third, the electoral commission (or Election Commission, as it is called in Nepal) was a strong focal point in coordinating international support.

Another milestone in Nepal's peace process was reached with the dissolution of the Maoist army (the People's Liberation Army, PLA) in 2012: the risk inherent to the existence of two armies no longer exists in Nepal. Donors assisted with the dissolution of

the PLA in various ways. The United Nations Mission to Nepal (UNMIN) verified the combatants, monitored the military camps (cantonments) holding the Maoist combatants and their weapons, and resolved disputes. Donors also provided crucial cantonment support and engaged in high-level facilitation. In doing so, donors helped both to stabilise the peace during and after the cantonment stage and to implement the political deal struck on 1 November 2011. Long-term engagement and good coordination explain the donors' positive impact.

To date, Nepal's peace and democratisation process has focused mainly on politics at central government level and has lacked strong local institutions. In general, our research suggests that the impact of donor engagement in the crucial area of local politics has not attained its full potential. Although donors supported two government programmes addressing local politics, these proved deficient in many ways. Crucially, donors failed to encourage local elections, which would have addressed a serious bottleneck at the local level. There are two reasons for the weak impact of donor engagement: first, a lack of concerted effort and second, too strong a focus on stability, which hampered democratisation.

The Constituent Assembly (CA) failed to perform its main task and was dissolved in 2012 without having promulgated a constitution. While donors contributed to the CA's achievements, they also reinforced some of the reasons why the CA ultimately failed. For example, donors contributed to the secretive nature of bargaining by establishing various dialogue mechanisms outside CA structures. Donor engagement also bolstered divisions, for example by approaching the issue of federalism in different ways. Poorly coordinated donor activities and the lack of a common primary goal created conflicts and duplications, not only reinforcing adverse effects, but also inflicting reputational damage on donor activities.

The Nepalese case sheds light on a number of general issues related to international support in post-conflict situations. This paper concentrates on three propositions (or hypotheses) commonly postulated in academic literature by those seeking to ascertain why support is either more or less successful. According to the first hypothesis, *strong donor support for democracy can help destabilise a country's peace process*. Interestingly, our findings do not support this notion. On the contrary, we found that donors paid insufficient attention to the detrimental long-term consequences of a peace process that failed to institutionalise democracy beyond the initial provisions of the 2006 peace agreement.

Second, a vast amount of literature on foreign aid supports the idea that *a high level of donor coordination is required for development cooperation to be effective*. While our findings suggest there are fewer grounds for enthusiasm about the overall level of coordination in Nepal than we initially expected, they do support the notion that better coordination yielded more positive results.

Finally, our third hypothesis states that *the success of donor engagement in Nepal also depends on how effectively donors take account of India*, Nepal's southern neighbour, as a major regional player. Here, our findings support the hypothesis, albeit with two qualifications. First, hard evidence of India's crucial role in the peace and democratisation process is in short supply. Second, Nepal's other big neighbour, China, is playing an

increasingly important role. A factor that proved particularly challenging for donors in Nepal is the issue of ownership, more specifically the question of whether donors should adhere to domestic interests or uphold their own positions. This highlights disagreement between domestic and international actors on the course of action to be followed, but also points to the problem of defining ownership too narrowly, thereby adhering only to elite interests.

Overall, our analysis paints a mixed picture. The strongest positive impact was in relation to the CA elections, and donors were also able to make a significant positive contribution in disbanding the PLA. At the local level and in the constitution-making process, donor engagement remained below its potential, at times even reinforcing weaknesses. The analysis identified a number of critical success factors for international engagement: good coordination through domestic institutions, focusing donor activities on a common primary goal, taking account of the long-term effects on democratic institutions and gaining the support of key regional actors.

# 1	Introduction

Fragile states are exerting a growing influence on international politics. Their implications for peace, stability and economic development present a challenge to the international community. Helping fragile countries to build up effective state structures has thus become a major concern of development cooperation (International Dialogue on Peacebuilding and Statebuilding 2011).

In recent years, donors[1] have come to acknowledge the magnitude of the challenge. In particular, they have begun *"to accept that state fragility cannot be effectively addressed if it is conceptualised as a purely technical issue, leaving aside the inherently political nature of state construction and its embeddedness in social and political conflicts"* (Faust / Grävingholt / Ziaja 2013). In response, big efforts have been made to better understand state fragility itself, as well as the options available to the international community to help address it (see OECD/DAC 2010, OECD/DAC 2011 and World Bank 2011, for example). Nonetheless, numerous questions remain about the factors that make external engagement in fragile states worthwhile and, conversely, the kinds of intervention that actually do more harm than good.

One of the major problems practitioners face is how sustainable peace and democracy can be brought about at the same time in countries that have emerged from civil war. Post-conflict situations account for a large proportion of cases of state fragility. While peace and democracy in post-war situations are closely interlinked and ultimately likely to support each other, a broad strand of academic research has shown that, in the short run, support for democracy may stand in the way of peace.[2]

Yet there are also instances of relatively successful post-conflict development that merit investigation – beyond the many sad examples of failing peace or democracy, or both. Nepal is a case in point:[3] from 1996 to 2006, the country suffered from a civil war that pitted Maoist guerrillas against the government of a monarchy that represented centuries of social exclusion and which had only recently adopted a semi-democratic constitution.

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1 Unless otherwise stated, this paper uses the term "donor" to denote member states of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC), including the European Union (EU), the development banks, NGOs funded by these countries and UN organisations. For analytical reasons, "Southern" donors, such as India and China in the case of Nepal, are considered as a separate category.

2 This study takes the term "democracy" as referring to the definitional characteristics of "polyarchy" as developed by Robert Dahl (Dahl 1971). These include participation and contestation as basic categories, as well as civil rights and the rule of law. We understand the term "peace" as referring mainly to the absence of major physical violence. This resembles the notion of "citizen security" introduced by the World Bank and defined as "both freedom from physical violence and freedom from fear of violence" (World Bank 2011). Such a lean definition of peace is necessary in order to isolate effects. In political discourse, our concept of peace is often referred to as "stability", which is why we use the two terms interchangeably.

3 Nepal was selected for this study due to its classification as a fragile state, based on the typology of state fragility developed by Grävingholt, Ziaja and Kreibaum (Grävingholt / Ziaja / Kreibaum 2012). The authors differentiate between fragile states according to the degree to which they satisfy the three criteria of state authority, state capacity and state legitimacy. Nepal was very weak on all three counts at the end of the civil war in 2006.

The conflict, which left about 13,000 people dead and thousands displaced (Office of the High Commissioner for Human Rights 2012), was settled with the signing of a "Comprehensive Peace Agreement" (CPA) in 2006. Sidelining the ruling king, the agreement had been negotiated between the Maoists and an alliance of established political parties, and had received political traction through mass protests earlier that year. In 2008, the Maoists gained the largest share of votes in relatively free and fair elections for a Constituent Assembly. Nepal was declared a federal republic at the first sitting, thus putting an end to 240 years of monarchy (Einsiedel / Malone / Pradhan 2012). Seven years into the peace process, the country has managed to avoid a relapse into widespread violence and the Maoist rebel army has been peacefully dissolved.

In spite of these achievements, the peace process has faced major challenges. In 2007, uprisings by marginalised groups in the south (the Madhesi) brought a whole new set of actors to the political scene. After the elections for the Constituent Assembly, the process suffered additional setbacks, culminating in May 2012 in the dissolution of the Constituent Assembly, which had not managed to deliver a constitution in four years. Meanwhile, consecutive Nepalese governments had been characterised by instability and struggles for political control, reflecting a lack of agreement among the main parties over the future of the political system. In addition, issues such as the formation of a Truth and Reconciliation Commission (TRC) still need to be resolved (Einsiedel / Malone / Pradhan 2012; ICG 2012a). In consequence, the political situation in the country remains fragile and tense.[4]

The Nepalese peace process is widely perceived as an example of a primarily endogenously driven post-civil war development. At the same time, it has consistently been open to assistance from a wide range of external actors.

During the conflict period, the Centre for Humanitarian Dialogue, the Carter Center and the Swiss government were regarded as influential outside facilitators (SDC 2011; Whitfield 2012; Whitfield 2008; Frieden 2012). The Office of the UN High Commissioner for Human Rights in Nepal had the most robust human rights mandate in UN history and its impact on the armed conflict is also considered to be significant (Rawski / Sharma 2012; Whitfield 2012; Whitfield 2008). Above all, however, India played a pivotal role in facilitating negotiations that led to the conclusion of the CPA in 2006 (Muni 2012).

After the signing of the peace agreement, a multiplicity of donors engaged in Nepal's post-conflict development. In the eyes of some observers, Nepal became a "playing field" for peacebuilding activities (Frieden 2012). Nepal's Ministry of Finance and the World Bank estimate that between 40 and 50 bilateral and multilateral donors and over 100 international non-governmental organisations (INGOs) are currently active in Nepal (World Bank 2009; Ministry of Finance and Government of Nepal 2012). Most claim to be making a difference in the Nepalese peace and democratisation process. The United Nations Mission in Nepal (UNMIN), for instance, is assumed to have made a major contribution to peace and stability in the country (Martin 2012). More recently, however,

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4  At the time of writing (i.e. the summer of 2013), Nepal is ruled by a non-party transitional government installed in March 2013 under an agreement reached by the country's four largest parties. This government's main responsibility is to oversee elections for a new Constituent Assembly that are due to be held in November 2013.

donors have been criticised for supporting the wrong sectors and strategies in their efforts to promote peace and democracy (ICG 2012a).

The fact that a multiplicity of donors with diverse strategies claims to have made a significant difference in the Nepalese peace process begs an obvious question: have donors really helped consolidate peace and democracy in Nepal? As we will show, our answer is "yes and no". Yes in some areas. And less so, or not at all, in others. The study goes on to ask: what are the factors behind successful support for peace and democracy in Nepal, and what factors account for failures?

The project was guided by a set of three hypotheses that the team generated from the burgeoning empirical literature on peacebuilding and statebuilding in post-conflict societies. Each of the hypotheses is a possible explanation for more or less successful international support for peace and democracy in Nepal. The first hypothesis looks at the strategic choices for donor engagement and tests whether support for democracy may run counter to the other common goal in post-conflict contexts, namely stability. A second central question arising from the above debates is how donors harmonise their programmes with those operated by other international actors seeking to influence the political process. The second hypothesis thus looks at how donors behave towards each other, asking whether they coordinate their support for peace and democracy in an adequate way. The third hypothesis brings another set of international actors into the picture by asking what role regional powers (such as India in the case of Nepal) play and how donors deal with their influence.

The findings reported in this paper stem from a qualitative research project conducted by a team from the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) between November 2012 and May 2013.[5] Besides written sources, the study relies on more than 160 interviews with local and international experts and stakeholders in Nepal's peace and democratisation process. The research project focused principally on the political process in Nepal. Rather than attributing outcomes directly to donor support, we assume that donors merely contribute indirectly by supporting domestic actors and institutions which themselves drive the peace and democratisation process. This study therefore analyses four *critical junctures*[6] in Nepal's post-conflict political process and uses process tracing to infer causality in each of the junctures. The junctures analysed are:

1) the 2008 elections to the Constituent Assembly;

2) the dissolution of the Maoist army;

3) the failure to adequately institutionalise the peace and democratisation process at the local level;

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5    The research team comprised five members of DIE's 2012-13 Postgraduate Training Programme in Development Policy under the leadership of Jörn Grävingholt. At the same time, the Nepal case study feeds into an ongoing DIE research project entitled "Development and Transformation in Fragile States", which is funded by the German Ministry of Economic Cooperation and Development (BMZ). Interviews were held in Kathmandu and in the districts of Chitwan, Nawalparasi, Kailali and Dadeldhura between February and April 2013.

6    See chapter 3 for a detailed explanation.

4)  the failure of the Constituent Assembly to adopt a constitution in 2012.

The use of *critical junctures* to measure the impact on political processes and close the attribution gap between donor activities and macro outcomes is a novelty. To our knowledge, this has not been done before in any systematic way.[7] It sets this study aside from standard evaluations of donor engagement that often fall short of providing convincing evidence of impact due to methodological shortcomings (Grävingholt / Leininger / von Haldenwang 2012).

The paper is structured as follows. Following this introduction, chapter 2 develops the three hypotheses guiding our research. Chapter 3 then presents our methodological approach, the research design and the selection of the four critical junctures. Chapter 4 analyses each critical juncture, the role of external engagement in them and the explanatory factors for success or failure. Chapter 5 draws conclusions and makes recommendations for making donor engagement more effective.

## 2        Hypotheses: external support for peace and democracy

This chapter explores the question of how external actors (and more specifically, donors) can effectively support peace and democracy in a country and deduces three hypotheses that guided the research underlying this paper. Each hypothesis represents one potential explanation for why donors either managed to contribute to peace and democracy in Nepal or failed to do so. Two considerations guided the choice of hypotheses. First, they are embedded in findings and current debates amongst both scholars and practitioners concerned with the support of peace and democracy. Second, they highlight factors that are particularly relevant to the Nepalese case.

A first, mainly academic debate that provides one basis for formulating the hypotheses revolves around the opportunities for external actors to influence democratisation in a country. *Democratisation* is defined as a country's transition from an autocratic to a democratic regime.[8] *Democracy support* is the term commonly used to denote an external actor's efforts to support democratisation in a country.[9] Democratisation expert Thomas Carothers describes democracy support (1999, 6) as *"aid specifically designed to foster opening in a non-democratic country or to further a democratic transition in a country that has experienced a democratic opening"*. Democracy support typically seeks to influence democratisation processes by supporting important actors or institutions, such as

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7   An evaluation of peace support activities in Nepal commissioned by the government of Denmark in collaboration with Switzerland and Finland was conducted in parallel to the research underlying this study. The evaluation team was also tasked to analyse impact at crucial moments of the peace process. As of May 2013, the final evaluation report had not yet been published.

8   Other authors perceive democratisation as a mere transition from more autocratic to less autocratic regimes, but this is not in line with the approach followed in this research project.

9   The academic literature distinguishes three other types of external influence on democratisation: coercion, conditionality and diffusion. For a discussion of how this classification came about, see Kubicek 2003, Whitehead 1996, and Börzel / Risse 2009. For further information, see Grabbe 2006, Crawford 1997, Schimmelfennig / Sedelmeier 2005, Whitehead 1996, and Grimm 2008.

elections, parliaments, the judiciary, parties, the media or civil society. According to the findings of democratisation research, among the factors that explain the success of democracy support are whether the local context is taken into account, coordination with other donors, long-term commitment and empowering domestic actors (see Burnell 2007; Carothers 1999; de Zeeuw / Kumar 2006).

A second, again mainly academic, debate analyses the likely ability of external actors to foster peace in post-conflict countries. Authors involved in this debate broadly agree that, for many years starting in the early 1990s, the activities of foreign powers focused on far-reaching political objectives beyond the mere ending of violence, such as establishing democracy and the rule of law, liberalising the economy, and building and designing stable state institutions (Fukuyama 2004; Paris 2004; Chandler 2006). After numerous unsatisfactory and severely criticised interventions, practitioners and academics alike realised that the scope for external influence is in fact far more limited. What is more, engagement with heavy external footprints resulted in endless missions and dependencies, posing an obstacle to the establishment of legitimate state institutions (Bliesemann de Guevara / Kühn 2010; Chandler 2006). For this reason, the discourse on consolidating peace has become more cautious. Academics now see the potential for external engagement as being limited to supporting domestic actors and dynamics (Papagianni 2008; Chesterman / Ignatieff / Thakur 2004).

A third debate that has informed the development of the hypotheses mainly involves donors. This debate is concerned with the practical question of how best to support post-conflict countries with a view to consolidating peace and democracy.[10] However, donors involved in this debate have begun to acknowledge insights from the academic debate, such as their limited scope of action, the risks associated with taking over state functions, and the need to adapt programmes to local contexts and power distributions. A recent OECD/DAC policy guidance on statebuilding in post-conflict countries is illustrative in this regard. The very concept of statebuilding, once a byword for highly intrusive practices, is now defined as a primarily endogenous "process to enhance capacity, institutions and legitimacy of the state" (OECD/DAC 2011, 20).

Three hypotheses derived from these different strands of literature are formulated in the following subsections. Each subsection starts by presenting relevant insights from the academic debate, followed by those from the donor debate. It concludes with a number of initial findings from the Nepalese case.

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10 The following analysis of the "donor debate" is based on an extensive review of several documents. These include, in particular, a 2011 Policy Guidance on Statebuilding (OECD/DAC 2011), a discussion paper on "Concepts and Dilemmas of State Building in Fragile Situations" (OECD/DAC 2008), the "Principles for Good International Engagement in Fragile States and Situations" (OECD/DAC 2007) and a "Do no harm" study (OECD/DAC 2010) which, while researched and written as an independent academic piece, was commissioned and intensively discussed by donors. Other important international documents include the "New Deal on engagement in fragile states" (International Dialogue on Peacebuilding and Statebuilding 2011), launched by the g7+ group (19 fragile and conflict-affected countries), development partners, and international organisations, the 2011 World Development Report on Conflict, Security and Development (World Bank 2011) and individual donor strategies for peacebuilding and statebuilding.

## 2.1 Supporting peace or democracy

The first hypothesis deals with a common dilemma for donors in post-conflict societies: although they may wish to support democracy and peace at the same time, what is good for the latter may prevent the attainment of the former, and vice versa. This dilemma figures prominently in debates among academics and donors discussing the trade-offs facing external actors in post-conflict contexts.

The dilemma of how to best support peace *and* democracy is clearly apparent when we look at what the academic debate perceives as being beneficial preconditions for the attainment of both objectives. For example, scholars quantitatively established that the way a civil war ends has significant implications for the subsequent processes of peace and democratisation. However, the expected effects differ considerably: while a *clear military victory* is more likely to support a stable peace process, the exact opposite, namely a *negotiated settlement,* appears to be conducive to successful democratisation.[11]

The same trade-off holds for power-sharing agreements. According to theory, successful power-sharing agreements between conflict parties contribute to stability by creating credible, stable and mutually beneficial structures. Consequently, power-sharing agreements raise the cost of going back to war, because the actors have an interest in supporting the established system rather than destabilising it by returning to war (Quinn / Mason / Gurses 2007; Hartzell / Hoddie 2003a; Hartzell / Hoddie 2003b; Hartzell / Hoddie / Rothchild 2001). These power-sharing agreements can have adverse effects on the consolidation of democracy, however. While power-sharing among a certain set of actors might have been all-encompassing at a particular point in time, it tends to produce a closed political arena that is not flexible enough to accommodate changes in the constellation of actors. Furthermore, it supports the perpetuation of wartime alliances and thus cements wartime cleavages in the new political system. Such divisions foster a narrow concentration on old constituencies and prevent the establishment of a broader, heterogeneous base in society (Söderberg Kovacs 2008; Rothchild 2007; Kwan-Jung 2012).

Supporting inclusiveness is another example of the dilemma between supporting peace and democracy at the same time. Several authors in both the peacebuilding and the democratisation literature actually agree on the positive effects inclusiveness can have. Insights from the peacebuilding and statebuilding literature suggest that inclusive politics and institutions are one crucial element of establishing a sustainable peace. Charles Call's

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11 The literature on peace processes, on the one hand, finds that the peace process tends to be more stable if one party secures a clear victory. Conversely, a military stalemate resulting in a negotiated settlement might lead to renewed conflict as it raises the conflicting parties' uncertainties and lowers their willingness to commit themselves to peace (Toft 2009; Quinn / Mason / Gurses 2007). On the other hand, a negotiated settlement would appear to be conducive to democratisation, as it facilitates the selection of democracy as an institutional response to civil war. Moreover, it creates a relatively stable political system that balances the powers of all parties in the conflict (Wantchekon / Neeman 2002; Wantchekon 2004). Empirical studies confirm this argument and show that civil wars resulting in negotiated settlements are conducive to successful democratisation (Gurses / Mason 2008; Joshi 2010). Although Joshi does not find confirmation for this direct relationship in his most recent empirical analysis, he does assert that inclusive institutions are more likely to support sustainable democratisation processes (Joshi 2013).

key finding, for example, is that political exclusion can trigger a relapse into civil war, while inclusionary behaviour[12] helps build peace. In the democratisation literature, some authors argue that inclusive institutions are particularly beneficial in post-conflict settings, because they address the main actors' fear of political marginalisation. This leads the principal political powers to believe that democracy serves their interests best, which is why they support democratisation instead of reverting to authoritarianism (Höglund / Jarstad / Söderberg Kovacs 2009; Przeworski 1988; Joshi, 2013). However, Simonsen (2005) draws attention to the fallacies of pushing for inclusiveness. His analysis of peacebuilding efforts in post-conflict societies after ethnic civil wars comes to the following conclusion:

> *"[W]hile inclusiveness may well be the main factor called for in a democratisation process, it may also complicate the political process severely. Inclusion – understood in this case as fair representation of categories of citizens defined by societal cleavages – is essential for the legitimacy of political institutions in divided societies and contributes towards stability. However, the process of shifting from exclusion to inclusion can also drive a stable society towards instability."* (Simonsen 2005, 302)

Again, what seems necessary and good for democratisation in the long run, may stand in the way of maintaining stability.

The trade-off between peace and democracy has also been tested statistically. In a now classical study, Edward Mansfield and Jack Snyder (2008) concluded that democratisation processes may result in instability, in the form of intrastate or interstate war. They argue that stable institutions are either absent or not fully developed in many transitional countries. For this reason, the power struggles between different groups inherent to democratisation processes cannot be adequately channelled. According to Mansfield and Snyder, introducing democracy too quickly in post-conflict societies may make a renewal of conflict more likely because of the absence of effective state institutions.

Clear policy recommendations have been deduced from this argument for international actors wishing to promote democracy. Mansfield and Snyder themselves (2007, 5), for example, have argued that international actors should sequence their engagement by focusing on building up *"competent and impartial state institutions"* and the rule of law *before* supporting democratisation. Carothers (2007, 16) reacted by calling instead for gradualism, *"which aims at building democracy slowly in certain contexts, but not avoiding it or putting it off indefinitely."* Although the right timing and approach remain matters of debate, there seems to be a consensus in the academic debate that donors should prioritise a stable institutional environment in order to reduce the risk of instability, which would endanger both democracy and peace (see also Burnell 2007; Diamond 2006; Grimm / Leininger 2012).

The prioritisation of stability is also advocated by the academic debate on peacebuilding and statebuilding. Roland Paris (2004) argues that transformation processes in post-conflict situations are especially fragile, and shock treatments of rapid democratisation

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12 *"Inclusionary behaviour"* is the perceived or actual opportunity of formerly warring parties or social groups associated with them to participate in politics and gain access to power (Call 2012, 5).

and liberalisation are likely to intensify existing conflicts (Paris 2004, 7). Functioning state institutions are needed in order to settle political, social and economic conflicts in a non-violent manner. For this reason, external interventions in post-conflict situations need to focus first and foremost on increasing the capacity and stability of the state. This approach, known as "institutionalisation before liberalisation", still pursues the goal of establishing a "liberal peace" (i.e. peace *and* democracy), but accepts that the necessary framework conditions need to be in place.

Statebuilding has become the main priority of donors engaged in fragile contexts. Yet, at the same time, it has also become a major topic of debate among them. Western donors stress that statebuilding is a primarily endogenous process. The overall goal for the international community is therefore to help national reformers build effective, legitimate, and resilient state institutions. The donor debate also addresses the issue of conflicting objectives in fragile contexts. The OECD has published a study that calls for a more conscious management of trade-offs and dilemmas. To illustrate, this may mean that, instead of pushing for elections, donors accept a political settlement in which open electoral competition is curbed and power is shared (OECD/DAC 2010, 11). In its policy guidance document, though, the OECD explicitly advocates the gradualist approach promoted by Carothers as an appropriate strategy when it comes to supporting elections (OECD/DAC 2011, 66).

Switching from the general donor debate to the case of Nepal, we find a clear focus on the peace process in donors' country strategy documents. An initial project mapping suggests, however, that more donor projects are concerned with democracy, good governance and human rights than with institution-building for peace. These observations are in line with allegations in the Nepalese media that donors have been pushing too hard for inclusiveness in the country's peace process. Judging by these sources, it would seem that donors have not prioritised statebuilding, but have treated democracy and peace as compatible objectives in their engagement.

The academic debates on peacebuilding and democratisation both emphasise the difficulties inherent to supporting peace and democracy at the same time. Institutional arrangements and actor constellations that promote stability are not necessarily democratic and thus hinder democratisation in the long run. Introducing democracy in a society too quickly, however, may have immediate adverse effects on stability as weak state institutions cannot channel the conflicts inherent to democratisation. Observing the stalled peace process and democratisation efforts in Nepal, we formulate our first hypothesis as follows:

Hypothesis 1: *Pushing for democracy has destabilised the Nepalese peace process*

## 2.2 The impact of donor coordination

The second hypothesis states that donor coordination contributes to the effectiveness of support for peace and democracy. Although the democratisation literature does not include research specifically focusing on the effects of donor coordination, many authors recommend better donor coordination as a means of raising the effectiveness of democracy support (see de Zeeuw / Kumar 2006; Grimm / Leininger 2012). The same argument

recurs in the academic debate on successful peacebuilding, in which donor coordination is a common prescription among scholars and practitioners alike (see Paris 2009).[13] Grimm (2008) analyses military interventions designed to force democratisation. Based on her findings, she recommends that external actors engage in five sectors of reform at the same time – welfare, stateness, rule of law, political regime and political community – because they are highly interconnected. Given the wide spectrum of key elements to be supported by international actors in post-conflict societies, one could argue that it is simply impossible for one donor to target all of these aspects at the same time and with the same effort.[14] Donor coordination, implying a coherent division of labour, is essential to make support for peace and democracy more effective and hence to enhance the prospects for sustainable peace and successful democratisation.

There is also a second theoretical argument as to why donor coordination should help raise the effectiveness of international support for peace and democracy. This suggests that coordination can enhance *coherence*. Donor coherence implies that all donor policies further the same overall goal. At the very least, their approaches should not conflict with or counterbalance each other. This point can be made particularly clear by looking at the effectiveness of conditionality: only when supported by all donors can conditionality function properly. Otherwise it is easy for a recipient government to pit one donor against the other, thus rendering conditionality obsolete (Faust / Leiderer / Schmitt 2012).[15] We may therefore conclude from the academic debates that donor coordination contributes to the effectiveness of support for peace and democracy.

Donor coordination has also been one of the main topics of debate among Western donors in recent years. This stems from a realisation that the excessive fragmentation of aid has regularly impaired aid effectiveness in individual countries.[16] According to the OECD, donor coordination is particularly important in fragile and post-conflict contexts. Comparatively strong states are able to impose a certain degree of order on donors. In typical post-conflict settings, however, the state is relatively weak, so that incoherence and a lack of coordination among donors reinforce the incoherence of state policies (OECD/DAC 2008, 47). As a result, a pragmatic approach to the division of labour is needed.

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13  A recent evaluation calls this line of reasoning into question. A multi-donor evaluation entitled "Aiding the Peace" (Bennett et al. 2010) analyses international efforts to support peace in South Sudan from 2005 to 2010. The study focuses on the application of the principles of donor harmonisation, coordination and alignment. Surprisingly, the study concludes that coordination actually slowed down the donors' capacity to react to changes and therefore restrained statebuilding activities (Bennett et al. 2010, 142).

14  Areas of support include elections, parliaments, the judiciary, political parties, the rule of law, mass media, reconciliation processes and civil society.

15  Boyce (2002) underlines this argument by showing that aid conditionality can be an effective tool in peacebuilding operations, but only if there is a high degree of donor coordination.

16  For this reason, donors agreed on overall principles to improve the consistency and coordination of aid, as set out in the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). However, due to the diversity of and competition among operations and actors, it is no surprise that coordination among donors and their activities, as well as between donors and host governments, has been inconsistent.

In order to develop a consistent and long-term strategy for statebuilding priorities, the OECD recommends that donors should agree to entrust a lead agency, such as the United Nations, multilateral agencies or bilateral development partners, with the task of driving collaboration and coordination (OECD/DAC 2011, 61). The World Bank goes even further, framing the problem as *"everyone wants to coordinate, but no one wants to be coordinated"*. The World Bank suggests that donors should empower recipient countries to lead the coordination process (World Bank 2011, 271). Indeed, case studies by the OECD show that a number of aid recipients are being successfully supported in creating government-owned mechanisms for aid coordination. It has been argued that, as a result, governments are better able to articulate their development objectives and formulate policies accordingly (OECD/DAC 2010, 72).

Looking at aid delivery modalities, the OECD gives several examples of how to improve donor coordination. The OECD emphasises the benefits of creating joint planning, assessment and prioritisation tools, such as transition results matrices and multi-donor trust funds. The latter are jointly managed and pooled funds, and are an aligned and harmonised alternative, particularly in situations where direct budget support is not possible due to a lack of state capacity. Furthermore, these funds can also provide a forum for continuous policy dialogue and joint decision-making processes (OECD/DAC 2011, 82).

In addition, direct budget support operations can provide an opportunity for coordinating external engagement around a common, government-led programme. Budget support can help a government to take the lead in its own path out of fragility. To minimise the risk of funds being misused, the OECD highlights sector-wide approaches (SWAPs) as a strategy. Interestingly, the OECD policy guidance document singles out the 'Education for All' sector-wide approach in Nepal as an example of a positive contribution to statebuilding (OECD/DAC 2011, 84).

In fact, a number of coordination mechanisms do exist in Nepal. The Nepalese Ministry of Finance hosts a bi-monthly local donor meeting, complemented by the UN Resident Coordinator's *ad-hoc* donor meetings. Various bilateral and multilateral donors, together with the Association of International NGOs in Nepal, also drafted and signed the "Joint Basic Operating Guidelines for Nepal" and organised bi-monthly meetings. Additionally, an aid management platform is currently being set up by the Nepalese Ministry of Finance. This web-based information system collects information on donor engagement. All donors have access to it and are called upon to report regularly on the progress in their projects. Nepal has also made efforts to include "new donors": for example, the Nepal Development Forum brought together not only OECD/DAC members and multilateral organisations, but also India and China. However, the last time this forum was held was in 2004.

Certain sectors exhibit particularly in-depth coordination. The main programmes in the education and health sectors are based on sector-wide approaches. In the peace and reconstruction sector several donors jointly devised the Nepal Peace and Development Strategy 2010–2015, which was signed by more than ten OECD/DAC donors. It aims to support the goals set out in the CPA by identifying needs in the area of short-term and long-term peace support.

Enhanced coordination raises the effectiveness of donor engagement and thus helps to consolidate peace and democracy. This is the conclusion drawn both in the academic debates on democratisation and peace-building and in the donor debate. Consequently, the observation that many efforts are devoted to donor coordination in Nepal leads us to the second hypothesis:

Hypothesis 2:     *Donor coordination raised the effectiveness of peace and democracy support in Nepal.*

## 2.3     India as a regional power

The previous section emphasised the impact of donor coordination on the effectiveness of peace and democracy support. However, even the best form of coordination may be counterbalanced by policies that go far beyond the development cooperation agendas. The third hypothesis therefore investigates the importance of international power politics, in particular among Nepal's neighbours. More specifically, the third hypothesis suggests that the international donor community did not do enough to include India in the Nepalese democratisation and peace process.

The notion of "neighbourhood" plays an important role in the academic debate on success factors for external support for democratisation. Levitsky and Way (2005) take a closer look at the relationship between external actors and the target state. They argue that the opportunities for an external actor to exert influence on a democratisation process depend on two critical factors, i.e. linkage and leverage. Leverage means "governments" vulnerability to external pressure (Levitsky / Way 2005, 21). It is determined by three components: first, the external actor's power vis-à-vis the target state; second, the existence of competing issues on the external actor's foreign policy agenda; and third, the target country's access to support from other powers. Power vis-à-vis the target state (measured by state size as well as military and economic power) increases an external actor's leverage. It is reduced by competing foreign policy issues and support from other powers.

The second important factor is linkage, which Levitsky and Way define as the density of ties between an external actor and a target state. Linkage depends on certain historical and geographical traits and includes a wide variety of ties, such as economic, geopolitical, social or communication linkages between the two sides. Overall, Levitsky and Way argue that an external actor's influence on a country's democratisation is significant only if leverage is high and linkage is strong.

The past two decades have seen an expansion in international mediation and a larger number of international actors involved in transition processes. The donor debate in the OECD acknowledges that DAC donors are no longer operating in a traditional context in which they are the primary source of external support for peace and democracy. Emerging powers such as China and India are becoming increasingly relevant as "new" donors (Chaturvedi / Fues / Sidiropoulos 2012). In situations of fragility, this is particularly true of emerging powers in the regional neighbourhood who might see their own security interests as being at stake. Hence, these new donors and other regional actors are viewed

as altering the diplomatic and economic options available to states in transition (OECD/DAC 2008, 9).

Despite this changed environment, OECD/DAC development policy is still framed largely within the donor community of Western states (OECD/DAC 2008, 35). The OECD has reminded its members that the global and regional dimension of statebuilding has a significant impact on the incentives for political and economic elites in fragile states. Effective and sustained engagement in fragile states is said to require *"concentrated negotiation or discussion with these external supporters if it is to have a real effect"* (OECD/DAC 2008, 46). If OECD donors do not engage with non-OECD actors, OECD policy is predicted to become increasingly irrelevant in several fragile contexts (OECD/DAC 2008, 46). The donor debate thus clearly acknowledges the fact that neighbourhood matters in statebuilding interventions (OECD/DAC 2010, 37).

In the case of Nepal, its neighbourhood is of paramount importance. Nepal is a landlocked state caught between the two rising powers of China and India. Geography is thus a major determinant of Nepal's foreign policy. Nepal is especially dependent on India as the primary source of its imports, its main market for exports, and access to the sea. India is also regarded as Nepal's more important neighbour due to the close ethnic, cultural and linguistic ties between the two countries.[17] China, for its part, is regarded as not playing such an important role in Nepal, although it has significantly increased its engagement since the CPA was signed in 2006. As a consequence, Nepal's foreign policy has been described as heavily southward-oriented (Ranjan Chaturvedy / Malone 2012, 288).

Two conclusions may be drawn from the application of Levitsky and Way's theory to the Nepalese case. One concerns Western states and the other Nepal's neighbourhood.

The first conclusion follows from analysing Western donors as external actors seeking to support democracy in Nepal. Given that neither geographic proximity nor historical ties exist, the linkage between the West and Nepal is weak. Power asymmetries and a lack of competing foreign policy objectives should work in favour of the West's leverage. However, the third component again reduces the West's leverage: an external actor has less chance of influencing democratisation in a country if there are other, large actors from whom the country could also draw support. Nepal is surrounded by two very powerful and prosperous countries: India and China. As a consequence, Nepal actually has two regional powers from whom it can obtain additional support. This analysis paints a rather pessimistic picture of the opportunities for Western donors to substantially influence the democratisation process in Nepal: the West's linkage is weak and its leverage is reduced by the presence of China and India as alternative sources of support. The theory therefore

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17 India's importance to Nepal also becomes clear in the light of the Nepalese peace process. India played an important informal role in facilitating Nepal's return to democracy and the abolition of the monarchy. Driven by a desire to stabilise the country and a recognition that the Maoists needed to be given an appropriate political role in Nepal, India hosted talks in Delhi in order to avoid further violence and instability (Destradi 2012, 297). These talks paved the way for a dialogue between Maoist leaders and the Seven-Party Alliance and resulted in the 12-point agreement signed on 22 November 2005. In general, however, India has been reluctant to cite the promotion of democracy as an instrument or even a goal of its foreign policy (Faust / Wagner 2010, 3).

indicates that Western donors need to take India and China into account when trying to promote peace and democracy in Nepal.

Applying Levitsky and Way's theory, India is the only external actor that has both the leverage and the linkage to influence the Nepalese democratisation process and hence meets the criteria for exerting a considerable impact in the target state. This factor also has clear policy implications. If India has the potential to significantly influence the democratisation process in Nepal, the international community could try to encourage India to do so. Both conclusions drawn from this academic debate point to the same interesting fact: in order to effectively support democracy in Nepal, donors need to include India in the process.

Combined with our empirical findings, the academic debate suggests that India has the highest potential for influencing the peace and democratisation process in Nepal. The donor debate, too, acknowledges the importance of regional influences. In a case study on Nepal, the OECD even proposes a recommendation that *"donors must consider the objectives of promoting development and statebuilding in Nepal in the context of regional objectives concerning non-OECD members, especially China and India"* (OECD/DAC 2010, 37). Thus, one should ask whether OECD/DAC donors have indeed tried to diplomatically discuss and coordinate their efforts to promote peace and democracy in Nepal with India, as the most important actor. Interestingly, the importance of India in Nepal is not mentioned in any of the strategic documents produced by the various donors engaged in Nepal. As a consequence, our third hypothesis reads as follows:

Hypothesis 3:    *Failure to account for India's influence has reduced the effectiveness of support for peace and democracy in Nepal.*

## 3    Methodology

Having formulated three hypotheses to explain the impact of donor engagement on peacebuilding and democratisation in post-conflict Nepal, we now turn to the approach and methodology employed to empirically identify this impact.

Unlike most development-related evaluations, which usually centre on a set of external interventions, this analysis takes the political process as its starting point. As a recent study found, conventional evaluations in the field of statebuilding and peacebuilding typically suffer from severe weaknesses when it comes to providing convincing evidence of impact or, conversely, learning lessons from failure (Grävingholt / Leininger / von Haldenwang 2012). In particular, programme evaluations rarely close the attribution gap between interventions and domestic political processes. Changes over time are too readily attributed to the intervention under scrutiny without accounting for the inherent dynamic of the process and what this means for counterfactual scenarios (Grävingholt / Leininger / von Haldenwang 2012, 14). For this reason, we have chosen to take a broader perspective.

Our approach consists of a within-case analysis of the Nepalese peace and democratisation process. In order to establish impact and infer causality, the study relies on an analysis of critical junctures in the peace process by means of process tracing. While a broad literature exists on the technique of process tracing (George / Bennett 2005; Goertz /

Mahoney 2012), the remainder of this chapter first discusses the concept of critical junctures before going on to present our method of identifying and analysing the sample of junctures for the Nepalese case.

## 3.1    Approach: critical junctures[18]

The theory of critical junctures is derived from historical institutionalism. According to James Mahoney, critical junctures may be defined as *"choice points that put countries (or other units) onto paths of development that track certain outcomes – as opposed to others – and that cannot be easily broken or reversed"* (Mahoney 2001, 7).

As rare events in the evolution of an institution, critical junctures are in contrast with its normal state. Institutional development is usually characterised by stability and reproduction, occasionally interrupted by brief phases of institutional flux. These phases may be defined as critical junctures. Such junctures are critical because they imply future path dependency: once certain institutional arrangements are in place, they become very difficult to alter or reverse (Capoccia / Kelemen 2007).

Even though the concept of critical junctures has been used in a wide array of fields of study (Capoccia / Kelemen 2007), so far it has received very little attention in democratisation studies. Nevertheless, democratisation processes are marked by key episodes of institutional change and episodes of reform, both of which can be conceptualised as important critical junctures (Capoccia 2010).

What is more, the concept of critical junctures in relation to regime change also seems to have become more accepted in the donor community. Donors promoting democracy support acknowledge that the impact of their interventions might be greater if geared towards critical junctures, in that these may be perceived as windows of opportunity for engagement (Schmitter / Brouwer 1999).

In this paper, we extend the critical junctures approach to "non-events". Non-events in this sense are occurrences that might have happened, but which were prevented from taking place by certain actors' choices. Nonetheless, their absence is path-defining and has significant implications for the peace process. Extending the idea of critical junctures to non-events is important, because preventing a possible outcome has just as much impact as actively producing an event that would not otherwise have taken place. While identifying a non-event may seem speculative at first glance, it is actually no more so than any inference of causal impact. By definition, the impact of an intervention is the difference between an existing outcome and a speculative outcome had the intervention not occurred. In any case, research has to establish a credible case of what the outcome in question would have been in the absence of the intervention (a "credible counterfactual"; see White 2009). In this regard, there is no difference between events and non-events.

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18  This section has benefited from thoughts and ideas contributed by Jonas Wolff in an unpublished manuscript (Wolff 2013).

## 3.2    Selecting critical junctures in Nepal

As stated in the previous subsection, this paper applies the concept of critical junctures in order to assess the difference donors made in consolidating peace and democracy in Nepal and explain success or failure of their engagement. The period of our analysis starts with the signing of the Comprehensive Peace Agreement on 21 November 2006. Thus, the research project focuses on the contribution made by external actors towards the *post-conflict* consolidation of peace and democracy in Nepal. We expect donors to have adapted their engagement from working in and on conflict to post-conflict activities, starting with the CPA as the official end of the civil war. Consequently, the CPA itself is not analysed as a critical juncture, since its origins lie in the civil war. At the other end, the period of investigation ends with the year 2012. More recent events have yet to prove their relevance and cannot be considered critical junctures with sufficient certainty.

The question is: what events in this period should be taken as constituting critical junctures? In order to answer this question, we followed a three-step process:

Step one involved an extensive literature study and a complementary exchange with experts on the political process in Nepal. This resulted in the compilation of a preliminary list of 13 events and non-events (see annex 1). In step two, a sample of 15 Nepalese experts from various backgrounds were interviewed to assess the relevance of these 13 junctures, provide additional information on donor involvement in them, and add new junctures if needed. Based on these interviews, the research team then selected four critical junctures for the analysis:

1)   the elections to the Constituent Assembly (2008);

2)   the dissolution of the Maoist army (2012);

3)   the failure to institutionalise peace and democracy at the local level (since 2006);

4)   the failure of the Constituent Assembly (2012).

While the first two of these junctures are clear events, the latter two are non-events. So far, the institutionalisation of peace and democracy at the local level has been more a story of failure than a tale of achievements. It embraces both a lack of local elections and the weak role played by bodies such as local peace committees. The Constituent Assembly, in turn, failed to adopt a constitution. Neither of these failures was inevitable. While alternatives existed, their absence has stalled the political momentum and contributed to the current deadlock.

The empirical analysis of the critical junctures consists of four components. The first component involves assessing the relevance and impact of the juncture on the overall peace and democratisation process. Each critical juncture can potentially have a significant positive or negative impact on peace and/or democracy. The second component involves analysing the evolution of the critical juncture in the domestic process, more specifically the actors involved and the main processes and decisions that led to the outcome. The aim is to identify the strengths and weaknesses characterising the critical juncture – taken together, they explain why the juncture was able to positively or negatively impact the peace and democratisation process. The third component is an in-depth analysis of donor

engagement in the critical juncture. Acknowledging the wide variety of forms international assistance can take, our analysis covers the entire range, from high-level facilitation and political incentives, through capacity-building and institution-building for peace and democracy, to laying socio-economic foundations.[19] Based on the findings of the analysis performed in the second step, the question in this third step is whether donors contributed to the achievements and failures of the juncture, and if so, to which ones and how. Tracing donor impact through contributions to the domestic process reflects a conviction that the political process is driven first and foremost by Nepalese actors and institutions, whom donors can influence only to a limited extent. The fourth step in the analysis identifies those features of donor engagement that might explain success or failure. Put differently, the question here is: why did donors contribute to both positive and negative aspects of the critical juncture, and also why did they not contribute to those in which no donor impact could be traced?

After analysing each critical juncture in detail, we draw a number of general conclusions in the final part of this paper. This final step in our analysis compares the results within the different junctures and looks at whether the hypotheses can explain why donor engagement was successful or not.

Figure 1 illustrates the four steps of the analysis, as well as the connection between our hypotheses (i.e. the explanatory factors) and the outcome (i.e. the factor in need of explanation).
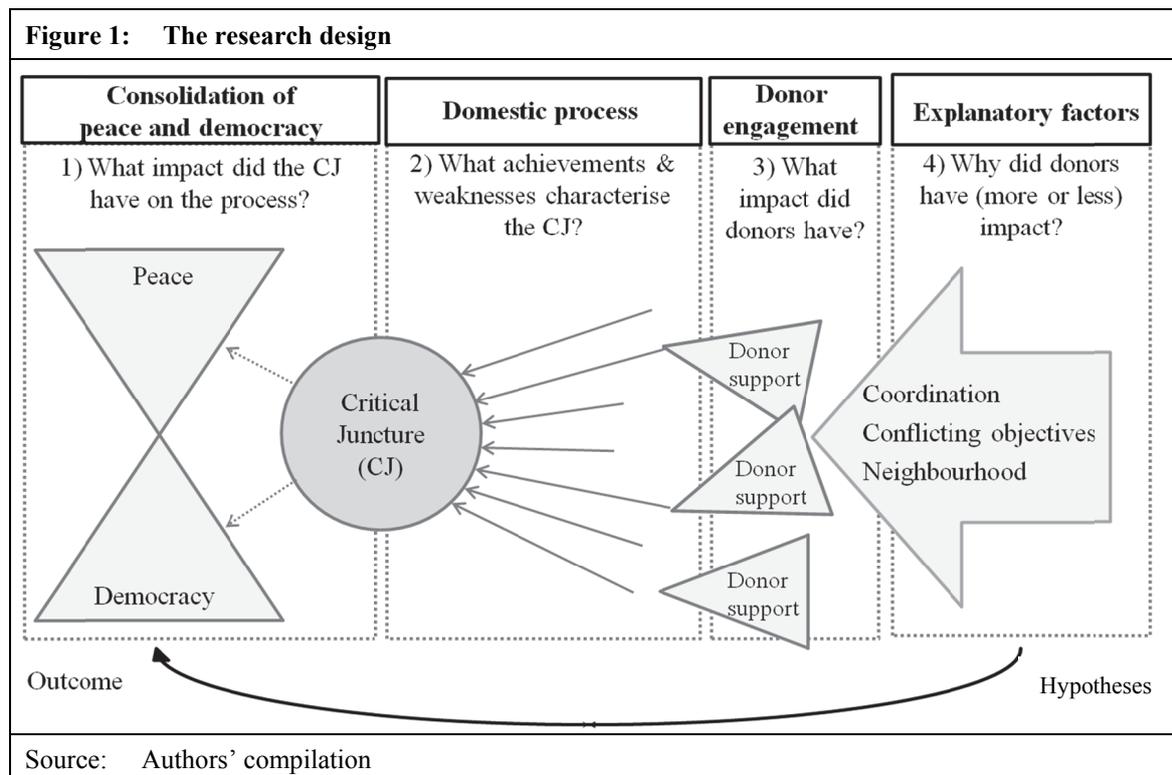


**Figure 1:    The research design**

Source:    Authors' compilation

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All components of the analysis were based on two different sources: written documents and interviews with experts and stakeholders. For analytical reasons, most of the interviews with donor representatives were held before those conducted with domestic actors. By doing so, we wanted to avoid a 'donor bias' that could have emerged if donors had been given the final say in interpreting the course of events, and their contribution in each juncture. Instead, the donor perspective in the first round of interviews was later set against the domestic viewpoint represented in the second round. This approach also tallies more closely with our own point of departure, i.e. the political context of the country itself. Altogether, we conducted over 160 interviews between February and April 2013. About two thirds of these were with domestic actors and one third was with representatives of donor organisations or governments.[20]

# 4 Analysing the Nepalese case

The previous chapter introduced and explained the critical junctures model used in this research project. This chapter presents the detailed results, obtained primarily from interviews, for each of the four critical junctures. In order to understand their development and relevance, however, we first need to embed these junctures in the wider peace and democratisation process. This introduction therefore outlines recent developments in Nepal.

Nepal already went through two democratic interludes before the current democratisation process. Starting in 1950, Nepal experienced an initial period of democracy that ended with a royal coup in 1960. Three decades later, the main party until then, the Nepali Congress (NC), joined with leftist forces and organised mass protests. This first mass democratic movement (known as "Jana Andolan I") was witnessed in 1990 and led to the introduction of a constitutional monarchy and a parliamentary democracy.

On 4 February 1996, the Maoists, a small but radical communist party, launched attacks on rural police posts (Lawoti 2010, 7), thereby sparking off ten years of armed conflict in Nepal. The conflict resulted in around 13,000 deaths, between 100,000 and 200,000 internally displaced persons and more than 1,300 disappearances (Office of the High Commissioner for Human Rights 2012). The root causes of the conflict were the deep social inequalities in Nepalese society, where exclusion is based on gender, religion, ethnicity, caste and regional provenance, while feudalism and widespread poverty prevail (Lawoti 2010, 7–10; Einsiedel / Malone / Pradhan 2012, 12).[21] At the same time, the Nepalese state was weak and not responsive to the grievances of the population. In other words, it lacked legitimacy. The Maoists referred to these problems in mobilising supporters (Lawoti 2010, 10; Eck 2010, 45).

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20 As many interviewees agreed to be interviewed only on condition that they remained anonymous, the interviews are denoted solely by an ID number. Annex 2 provides generic information on each interviewee's background. Interview transcripts and information on the identity of interviewees are stored at DIE in accordance with the institute's policy on good academic practice.

21 Another influential long-term factor is modernisation, introduced in Nepal in the 1950s. This gradually eroded the traditional social order, resulting in instability (Lawoti 2010, 11).

During the first five years, the conflict spread slowly and was limited to the mid-western hills. It produced only a relatively small number of casualties. Until 2001, the only forces fighting the Maoists were made up of police officers (Einsiedel / Malone / Pradhan 2012, 19). In 2001, however, a new monarch came to the throne.[22] The new king, Gyanendra, threw his predecessor's caution to the winds and brought the Royal Nepalese Army into the conflict, causing the violence to escalate. The number of fatalities soared and the Maoists began to institutionalise their military wing in the form of the People's Liberation Army (PLA) (Einsiedel / Malone / Pradhan 2012, 20).

During the civil war, King Gyanendra gradually dismantled the country's democratic structure by having the parliament dissolved in 2002, dismissing the government and declaring a state of emergency in 2005. The *de facto* reestablishment of an absolute monarchy made the king unpopular and delegitimised his rule. By acting in this way, the king also alienated the main disempowered political parties, who subsequently united in a Seven Party Alliance (Einsiedel / Malone / Pradhan 2012, 23). With the king proving unable to deal with the triple problems of an increasingly strong Maoist insurgency, instability and widespread corruption, there was a rapprochement between the Maoists and the Seven Party Alliance (Einsiedel 2009, 24; ICG 2005b, 1–10).

Militarily, the PLA and Royal Nepalese Army found themselves locked in a stalemate, even though the Maoists controlled large swathes of the country. The Maoist leadership recognised that an all-out military victory was highly unlikely, and this led the armed group to moderate its standpoints. In September 2005, the Maoists unilaterally declared a ceasefire, which was widely perceived as a demonstration of goodwill and readiness to compromise. Two months later, the Maoists and the Seven Party Alliance signed a 12-point agreement in New Delhi, under which they announced their plans to abolish the monarchy and form an all-party government. This agreement set the stage for weeks of mass anti-monarchy protests (later referred to as Jana Andolan II), led by the newly formed partnership of the Seven Party Alliance and the Maoists. As a result of these protests, the king was forced to reinstate the parliament and the established parties returned to power.

The violent conflict formally ended on 21 November 2006, with the signing of the Comprehensive Peace Agreement between the government and the Maoists. The main points of the agreement were: the maintenance of the ceasefire, the restructuring of the army, the release of prisoners, the holding of elections to a constituent assembly that would write a new constitution for Nepal, the country's social and political transformation, land reforms and the formation of a Truth and Reconciliation Commission (ICG 2005a, 1–5; ICG 2005c, 20–25). However, the wording of the agreement was vague, with many details left to be decided during the political process that was to follow. The combatants of the PLA (the Maoist army) were interned in cantonments and promised incorporation into the security forces.[23] The Seven Party Alliance and the Maoists

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22  In still unknown circumstances, the crown prince allegedly killed King Birendra and a number of other members of the royal family, following which Birendra's brother, Gyanendra, was proclaimed king.

23  This was set out in the Agreement on Monitoring of the Management of Arms and Armies, dated 26 November 2006. The agreement also outlined how arms and combatants were to be monitored and stated the need for reforming the security forces.

requested UN assistance in form of a monitoring mission in August 2006 (Prime Minister of Government of Nepal 2011; Communist Party of Nepal (Maoist) 2011).

Following the peace agreement, an interim legislature was formed. Its composition was based on the 1999 parliament, but also included the Maoists, who received one third of the seats. The interim legislature elected a government in which the Maoists were represented. It also adopted an interim constitution, which continues to form the legal framework today. The interim legislature and government remained in office until the 2008 elections. All these interim solutions are power-sharing arrangements, which are often a useful means of creating stability in fragile post-conflict environments (Quinn / Mason / Gurses 2007; Hartzell / Hoddie 2003a; Hartzell / Hoddie 2003b; Hartzell / Hoddie / Rothchild 2001). However, these arrangements may hinder democratisation in the long run (Söderberg Kovacs 2008; Rothchild 2007; Kwan-Jung 2012).

In January 2007, fighting erupted in the Terai region of southern Nepal. It lasted for 21 days and became known as the Madhesi uprising (Slavu 2012). Members of the Madhesi, an ethnic group which has traditionally suffered from discrimination and which forms a majority in the Terai, revolted out of frustration with the peace process. The main reason for this was the targeted mobilisation of marginalised groups *during* the civil war, which the Maoists used to generate support. However, many of these groups felt that their needs were not reflected by the peace deal struck after the conflict. The Madeshi uprising had two results. First, the Madhesi have become an important political player in Nepal. Second, they put federalism on the political agenda. In general, there is now a trend in post-conflict Nepal towards politicisation along ethnic and regional lines.

Elections to the Constituent Assembly were held in 2008. These were perceived as relatively free and fair (see section 4.1). The Constituent Assembly (CA) became the most inclusive political institution of modern Nepal, thanks to the use of quotas guaranteeing the representation of marginalised groups such as Madhesi, Dalits and women (ICG 2012a, 4). At its very first meeting, the CA officially abolished the monarchy and declared Nepal a federal, democratic and secular state. Surprisingly to most observers, the Maoists emerged as the strongest party, winning more votes than the two other main parties combined, i.e. the NC and the Unified Marxist-Leninist (UML). In the following years, it proved difficult to reach decisions in parliament and governments did not remain in office for long. For instance, Pushpa Kamal Dahal (alias Prachanda), the head of the Maoists, became Nepal's first post-election Prime Minister only after 16 rounds of voting and resigned nine months later.[24] From May 2009 until February 2011, Prime Minister Madhav Nepal headed a government made up of an anti-Maoist coalition, resulting in polarisation and political deadlock. The Maoists returned to government as a coalition partner of the UML in February 2011. Shortly afterwards, in August 2011, they again headed a government under Prime Minister Baburam Bhattarai.

After many years of tough negotiations, a solution for disbanding the PLA was found under a seven-point agreement signed in November 2011 (see section 4.2). Yet the political process remained in deadlock and, after four extensions of its term, the CA was

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24 Prachanda decided to resign after unsuccessfully attempting to replace the army chief without passing through the official channels. This event is better known as the 'Katwal episode'.

dissolved on 27 May 2011without having adopted a constitution (see section 4.4). In the following months, the incumbent government acted as a caretaker government without a parliamentary mandate. Following prolonged quarrels about how to continue, a government of technocrats headed by the Supreme Justice Khil Raj Regmi took over in March 2013. It was charged with the task of preparing for new CA elections, which are scheduled for November 2013.

The post-conflict process in Nepal features both remarkable achievements and serious weaknesses. The simple fact that the country has not relapsed into civil war is one of the big successes. In addition, the former armed rebels, the Maoists, have been successfully integrated into the democratic mainstream. Two of the main points in the CPA have been successfully implemented: CA elections and the dissolution of the PLA. But slow progress has been made in setting up a Truth and Reconciliation Commission to investigate human rights violations during the conflict, even though this was another of the objects of the CPA. The former warring parties would appear to share a lack of interest in shedding light on their past actions. The aim of adopting a new constitution has also not been achieved yet. Moreover, politics continue to be dominated by a small number of high-caste elite actors in the capital, with very limited participation of other groups. The fact that local elections have not been held for over 15 years (see section 4.3) is symptomatic of this situation.

In terms of peace and democracy, Nepal's post-conflict situation presents a mixed picture: Nepal has made more progress in consolidating peace than in promoting democracy, as is made apparent by the discussion of the four critical junctures in the remainder of this chapter. The progress made in consolidating peace is highlighted by critical junctures 1 (i.e. the elections to the Constituent Assembly in 2008) and 2 (i.e. the dissolution of the Maoist army). Weaknesses in terms of democratisation are illustrated by critical junctures 3 (i.e. the failure to institutionalise peace and democracy at the local level) and 4 (i.e. the dissolution of the Constituent Assembly).

## 4.1    Elections to the Constituent Assembly

The stakes in first post-conflict elections are high. Elections can be one link in the chain of events that allow a country to emerge from years of conflict and pave the way towards democracy and stability. In Nepal, the preamble of the 2006 Comprehensive Peace Agreement was the starting point for the electoral process. The signatories reaffirmed their commitment to a competitive, multiparty democratic system and their confidence in the prospect of conducting free and fair elections for the Constituent Assembly by 15 June 2007 (ASPECT 2011, 52–53). Managing the elections was therefore an important step in managing the peace.

After the interim government twice had to postpone the election date,[25] the Nepalese people voted for the first time in nine years on 10 April 2008. 601 CA members

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25  Elections in June 2007 proved unfeasible because of flaws in the electoral law. Elections were then rescheduled for November 2007. However, in September 2007, the Maoist ministers resigned collectively, demanding that a proportional electoral system be adopted. Realising that the elections would not be possible without Maoist participation, Prime Minister Koirala again cancelled the polls.

representing 25 parties were elected under a new voting and quota system, producing the most inclusive body in Nepal's modern history.[26] The results of the CA elections changed the nature of the political landscape in Nepal, with the Maoist party surprisingly winning over one third of the seats. The elections were relatively peaceful, demonstrated broad public support for change and marked the rise of new political forces and regional parties. The elections were broadly seen as a major success and were praised as a historical event by almost all our interviewees. However, the subsequent democratisation process suffered from a series of setbacks (see section 4.4).

*Achievements and weaknesses*

The overall picture that emerges when one looks at the main achievements and weaknesses in relation to the elections to the Constituent Assembly is a positive one.

One of the main achievements was the increased representation of Nepal's diverse social groups thanks to changes in the voting system and the establishment of a quota system. Regarding the voting system, Nepal changed its previous first-past-the-post (FPTP) voting system to a mixed system. Under a compromise agreed with the Maoists, 335 CA members were elected under a closed-list proportional system and another 240 by means of a FPTP system.[27]

As a second point, the adoption of an ambitious quota system by the Election Commission (EC) helped to enhance inclusiveness. Under the newly negotiated electoral law, political parties had to nominate candidates on the closed lists for the proportional race in accordance with their share of the population, i.e. 37.8 % Janajatis, 32.1 % Madhesis and 13 % Dalits. Women were to constitute 50 % of all candidate lists for the proportional race and a minimum of 33 % of candidates for both races. In the case of the Constituent Assembly, the elections produced the most inclusive body in the history of Nepal. Women made up 33 % of the assembly, pushing Nepal into fourteenth place worldwide in terms of women's representation on nationally elected bodies (United Nations 2008, 18). These quotas not only guaranteed the principle of representation, they were also an important means of building trust in society.

The major achievement with regard to the CA elections is that they were relatively free, fair and accepted. In April 2008, the attention of the whole country was focused on the CA elections (Heiniger 2011a, Interview 84). The high voter turnout of more than 60 %[28] (including the participation of 53 % of women) reflected this election euphoria (OHCHR Nepal 2008, 1). Most importantly, the strong commitment to a peaceful transition to democracy manifested itself in a more peaceful and calm election than had been expected

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After protracted negotiations with the Maoists, a new date was set for 10 April 2008 (Shah 2009a; Pokharel 2012).

26  An electoral threshold that would have helped to reduce the number of parties and concentrate votes was not adopted.

27  26 additional members were to be nominated by a Council of Ministers chosen by the president after the elections, once the president had been elected by the CA members (Suto 201, 9).

28  The EC reported a 63.3 % turnout in the proportional system and a 61.7 % turnout in the FPTP vote (Slavu 2012, 248).

(Pokharel 2012; Slavu 2012). The majority of interviewees shared the perception that the overall process had been fair and the result broadly accepted.

The results of the election were quite surprising. While electoral analysts had forecast fierce competition between the centrist NC and the CPN-UML, voters instead decisively supported the Maoists, who won 38.26 % of the overall vote. This was a clear vote for change (Tamang 2011). During the campaign, Maoists had been able to expand their organisation's reach in rural areas. Their victory was the result of a well-organised campaign. The NC and the UML, on the other hand, concentrated their elitist and old-fashioned approach on urban centres (Pathak 2008; Hafeez 2008). Surprised but committed to the Nepalese peace process, most political leaders, among them the defeated old elites, promptly accepted the results.

However, the elections were not without shortcomings. The incomplete and outdated 2001 census served as the basis for calculating quotas. This meant that quotas did not generate adequate shares for marginalised population groups. Analysts claim that Dalits suffered the most significant discrimination, because they were undercounted in 2001. Another shortcoming of the electoral law is that the parties are free to select winners from their closed lists after the acceptance of the election result. This procedure undermines transparency, gives excessive power to party leaders and widens the gap between party representatives and its constituency. Moreover, voter lists were incomplete. An effort to update the voter lists early in 2007 failed to register large numbers of domestic migrants, Madhesi and members of other marginalised groups. Voter lists were also not updated after the elections were postponed by one year, and young voters who reached the legal voting age of 18 years after the initial cut-off date of 15 December 2006 were disenfranchised (Dahal 2010, 19; Slavu 2012, 244–245).

Although elections were conducted in a calm and orderly manner, there was some election-related violence, with ten deaths during the week preceding the election and another four on polling day. The Office of the High Commissioner for Human Rights (OHCHR) also received 28 reports of election-related abductions and reported many incidents of assaults on party workers and candidates. There were numerous examples of intimidation directed at candidates, party workers, the media and voters themselves (OHCHR Nepal 2008). Monitoring missions also witnessed several cases of fraud and 'booth capturing',[29] including vote rigging, proxy voting, underage voting and multiple voting. Most of the violent activities were attributed to the Maoists and its youth wing, the Youth Communist League (Hafeez 2008, Interviews 81, 83, 159). In total, the Election Commission recorded more than 400 complaints of electoral violence and intimidation (Dahal 2010, 17). In a number of instances, polling staff failed to prevent or record threats and other electoral irregularities due to fears for their personal safety. As a result, a second round of elections was held at 106 of the 21,000 polling stations.

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29  A practice common in the region in which the supporters of a political party seize a ballot box or polling station and rig the outcome of the vote.

*Donor engagement*

The international community was closely involved in all stages of the electoral process. Even before the elections, some donors facilitated inter-party dialogues at a high diplomatic level so as to minimise friction among the parties. Switzerland, for example, encouraged discussions of the various outcome scenarios among political parties, to ensure greater acceptance of the expected result (Interviews 89, 169). The donor-funded Nepal Transition To Peace Initiative (NTTP)[30] played a crucial role after seven Maoists were killed in a clash between Nepali Congress and Maoist cadres in western Nepal the day before election day. This incident appeared to potentially jeopardise the whole electoral process, but the fact that the NTTP was able to mediate among party representatives helped immediately to improve the situation (Heiniger 2011b, Interviews 89, 133). Donors thus helped both to facilitate the elections and to foster acceptance of the results.

International donors also substantively furthered the electoral process by supporting the Election Commission and enhancing the electoral infrastructure. For example, a Norwegian expert assisted the EC in devising a formula for translating minority quotas into CA seats. This expert regularly advised the EC and, as a result, gained good access to high-level politicians which proved useful later on. Additionally, donors provided immense support for the electoral infrastructure. They either channelled their funds through the election-related activities of the Nepal Peace Trust Fund (NPTF)[31] or supported the EC directly, in the form of in-kind donations for the electoral infrastructure. As one striking example, the Japanese government provided all the ballot boxes required for the 21,000 polling stations.

The international community also played a major role in monitoring the elections in Nepal. International monitors were brought in to serve as neutral umpires, lending moral support to the elections and creating a peaceful environment, as their presence was expected to deter electoral violence (Interview 82). At the same time, international monitoring was crucial for legitimising the electoral process and the results. Despite the 148 national civil-society organisations with over 61,000 observers, the Nepalese Electoral Observation Resource Center also registered 32 international monitoring groups

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30  The Nepal Transition To Peace Initiative (NTTP) was created in 2005 to facilitate the peace process. It is operated by the Asia Foundation, but funded mainly by USAID. It functions as a dialogue forum, bringing together representatives from political parties and civil society (Interdisciplinary Analysts 2012).

31  The NPTF is a multi-donor pooled funding instrument established in 2007 and implemented by the Government of Nepal, which is also its main contributor, with a share of 60 %. The NPTF is regarded as the only peace fund in the world that is managed by a national administration. Its coordination committee is made up of members representing the Ministry of Peace, the Ministry of Finance, the main political parties and the contributing donors (i.e. Denmark, Finland, Norway, Germany, UK, Switzerland, the EU and, since December 2012, the US). The fund works in five main areas: the cantonment and rehabilitation of Maoist combatants; assistance to conflict-affected persons/ communities; the promotion of security and transitional justice; support for the Constituent Assembly; and peacebuilding initiatives at national and local levels. The last cluster of approved funding included seven programmes for supporting the CA elections in 2008, e.g. voter education, training of election officials and staff, as well as their placement at polling stations on election day (SDC 2011, NPTF Homepage, Interview 84).

with over 900 observers (Dahal 2010: 19). The most important and influential missions were sent by the Carter Center, the European Union and the OHCHR.

Through its judgement, the international community exerted a fairly decisive impact on the acceptance of the election results. On election day, only a few hours after the polling stations had closed, former US president Jimmy Carter announced that the elections had been peaceful and largely free and fair (Interview 81). He chose not to focus attention on violent incidents. The Carter Center also reported *"some irregularities during the conduct of the poll",* but judged that these were *"unlikely to affect the overall success of the vote"* (the Carter Center 2009, 98). This public "blessing" also drew some criticism, due to its hasty and overly positive nature. Some interviewees stressed that the monitoring reports should have been more critical, also with regard to Nepal's long-term democratisation process and the opportunity to improve the political culture (Interviews 17, 54). Nonetheless, there was a widespread view among interviewees that the Carter Center's statement set the tone for others to follow. The overall impression, therefore, was that this statement had a significant impact on the positive perception of the electoral process and result, not only among other national and international monitoring missions, but also among the political parties in Nepal (Interviews 80, 81, 159).

Overall, the international community was able to contribute to all of the achievements identified with regard to the CA elections: the voting and quota system, as well as making the elections free and fair, and gaining acceptance for the results.

| Table 1: Donor support for the 2008 CA elections | | |
|---|---|---|
| **Donor** | **Programme** | **Description of activities** |
| CIDA | Funding for the Carter Center | Monitoring mission |
| Denmark | Human Rights and Good Governance Programme | EC support |
| | Electoral infrastructure | Computers and printers |
| | Election education by NGOs | |
| | Funding for the Carter Center | Monitoring mission |
| | Funding for the NPTF | Voter education, training of election officials and staff, and their placement at polling stations |
| DFID | Enabling State Programme | Providing a forum for political leaders to reach the electorate and supporting the monitoring of the media |
| | Funding for the Asia Foundation | Monitoring mission |
| | Funding for the Carter Center | Monitoring mission |
| EU | Election observation mission | 120 observers in 62 districts, March to May 2008 |
| Finland | Funding for International IDEA | Expertise on electoral systems |
| | Funding for the NPTF | Voter education, training jof election officials and staff, and their placement at polling stations |

| Germany | Funding for the NPTF | Voter education, training of election officials and staff, and their placement at polling stations |
|---|---|---|
| Japan | Electoral infrastructure | Providing all ballot boxes |
| Norway | Technical advice to the EC | Information about election models |
| | Funding for the NPTF | Voter education, training of election officials and staff, and their placement at polling stations |
| Switzerland | High-level facilitation | Through conflict advisor and NTTP |
| | Funding for the NPFT | Voter education, training of election officials and staff, and their placement at polling stations |
| The Asia Foundation | Monitoring mission | 20 long-term and 80 short-term observers; technical support for the EC's voter registration campaign |
| | Technical support for the National Election Monitoring Alliance | Training of trainers for election monitoring; mobilisation of 2,004 monitors |
| | Civic and voter education | In 75 districts |
| United Nations | UNMIN: Electoral Assistance Office | Technical assistance for the EC |
| | UNPFN: Electoral Observation Resource Center | Accreditation of domestic and international observers (UNDP implemented) |
| USAID | Office of Transition Initiatives | Media centre (incl. 40-minute voter education TV programme) |
| | Electoral infrastructure | Three printers to print 50 million ballots; servers & generators |
| Source: Authors' compilation | | |

Despite contributing to the success of the elections, international support was not without its deficiencies. Especially in the case of support provided through non-governmental organisations, transparency in partner selection and funding was lacking. As Bhojraj Pokharel, the former chief election commissioner, said, voter education programmes supplied by NGOs showed signs of duplication (Pokharel 2012, 263). Moreover, international monitoring missions were criticised by some interviewees for being deployed in easily accessible areas and thus having a more urban focus, instead of covering the more remote districts. However, the rationale of monitoring missions is to observe the maximum possible number of votes, and this is more easily achievable in urban centres than in remote areas, where fewer people live and hence face the risk of electoral violence. Furthermore, it was simply impossible for international missions to get to all of the polling stations. For instance, the 67 Carter Center observers visited more than 400 of the 20,890 polling stations on election day (Carter Center 2009, 24–25). With regard to monitoring modalities, international observers were criticised for not focusing on the impact of the pre-electoral environment, due to the short-term nature of their missions.

*Explaining the impact*

The above analysis clearly shows that donors were able to contribute positively to successful CA elections in 2008 by providing high-level facilitation, supporting the EC, enhancing the electoral infrastructure and arranging monitoring missions. The next question is: what factors explain the positive impact of international support?

First of all, almost all donors rallied behind the common goal of helping Nepal to hold elections. At that time, there were no political or strategic disparities between them (Interview 89). The Electoral Commission and the international community had a shared interest: a desire to *"let the elections happen on time, let the elections happen peacefully and let the elections' result be acceptable"* (Interview 82). Their common strategic prioritisation of peace and stability may be seen as another important reason for successful donor engagement. As a result of this focus on stability, the international community was willing to overlook democratic deficits. One conclusion drawn from the interviews is that the Carter Center's pronouncement that the elections had been free and fair was motivated by the international community's will to create a peaceful environment and by a conviction that Nepal needed to move on to the next step in its peace process.

In addition to adopting a coherent approach to the elections, donors were committed and generous in their support for these elections. The fact that certain donors earmarked funds in the NPTF for election-related projects illustrates the high priority attached to the elections and the willingness to provide maximum support in this area. The international community also made use of a broad set of instruments, by mixing contributions to the electoral infrastructure with support for the professionalisation of the Electoral Commission, facilitating high-level discussions among political actors, and election monitoring. Thus, the international community played multiple roles, depending on the mode and accessibility of specific donor engagement. Furthermore, a long-term presence was another driving factor behind confidence-building and access to political actors.

The Election Commission itself was a strong domestic actor that made a significant contribution to the success of the elections. Nepal had already conducted many elections before 2008, which meant that election management was not a new task for the Election Commission. Interviewees described the EC as a legitimate stakeholder with high credibility, some of them even labelling it the most professional and efficient body in Nepal (Interviews 93, 128). The EC had a strong leadership in managing the election at the time. Acknowledging that Nepal was in transition on the road to peace, the electoral process was designed with the overall goal of achieving the highest possible degree of acceptance among all actors: political parties, civil society and the international community.

Coordination is the final, decisive factor that explains the successful international support for the CA elections. This was accomplished mainly by the Election Commission, which acted as the focal point in coordinating international assistance. Support was coordinated through three channels: a) the NPTF, b) joint donor meetings with the EC, and c) bilateral meetings between the EC and individual donors. These weekly meetings fulfilled two purposes. The first was information-sharing: the EC updated donors on the electoral preparations and provided information on funds, materials, problems and next steps. Second, the EC clearly laid out its demands by identifying gaps and discussing who would contribute what. An EC member described the process as follows: *"I invited the donors*

*and said: these are the things I need, now you have to say who can support what [...].
They were sitting together there in a round table and discussing who will take which
component, including India, China and all. Everybody was participating"* (Interview 82).
As a consequence, donors provided highly systematic and focused support for all the
electoral efforts (Interviews 76, 81, 82). The Election Commission was thus the leading
actor securing a sound division of labour among the donors.

*Conclusion*

Nepal's elections for the Constituent Assembly were more than just a ballot. Instead, they
were the starting point for a political transformation to peaceful, democratic decision-
making – first among the former parties to the conflict, but later also with a view to an
ever more inclusive representation of people's interests. Overall, the electoral process was
quite peaceful and its results were broadly accepted. Although the elections were not
perfect when measured by democratic standards, they fulfilled a vital function in the
Nepalese peace process. Instances of electoral violence and fraud were forgiven in the
name of conflict management, peacebuilding and national unity. As one interviewee said,
this election was an *"unusual election in unusual times"* (Interview 78). In other words,
the 2008 CA elections are an outstanding example of a successful first post-conflict
election.

International support was crucial throughout the electoral process. It was so successful
because all the actors had a common objective of ensuring a peaceful electoral process and
securing a broadly accepted result. Donor support was motivated by a shared conviction
that Nepal needed to move on to the next step in its peace process. Another explanatory
factor for the effectiveness of international support is the different modes of intervention,
effectively coordinated by the Election Commission as a strong and legitimate domestic
actor. In sum, one interviewee made the following convincing assessment of the donor
contribution to the elections: *"Without the vast support of the international community, it
would not have been possible to accomplish the same peaceful and accepted election"*
(Interview 78).

Even though the 2008 elections were quite successful, it is important to bear in mind that
it was a unique event in the Nepalese peace process and cannot be repeated. Therefore, all
actors, including the international community, should take care not to use these
experiences as a blueprint for the next elections, scheduled for November 2013.

## 4.2 The dissolution of the Maoist army

The successful demobilisation of a rebel army in a post-conflict setting is a milestone in
any peace process.[32] As soon as peace talks in Nepal began, it was clear that the Maoists
would have to dismantle their military structure (Chalmers 2012, 77). After the CPA was
signed, the Maoist People's Liberation Army and its weapons were confined to 28

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32 The specific means of attaining this goal are subsumed under the concept of "disarmament,
demobilisation and reintegration". Although the Maoists reject the term DDR, since they insist that the
PLA was not defeated, the process in Nepal may in fact be described as DDR (Singh 2011, 127).

cantonments, while the Nepalese Army (NA) and an equal amount of arms were placed in barracks. UNMIN was given the task of verifying the combatants, monitoring the cantonments and supervising their weapons. The subsequent dissolution of the PLA was one of the main conditions of the CPA, but how exactly this should be achieved was to be a matter of negotiation. The ensuing political talks turned out to be complicated, polarised and long.

After the CA elections in 2008, the Maoists promised that the issues of integration and rehabilitation would be resolved within six months. However, the gap between the Maoist party seeking to incorporate the maximum number of combatants into the NA and other political actors opposed to this idea proved too wide. While the cantonments were initially assumed to be of a temporary nature, they in fact became permanent, with many combatants living there for up to six years. Politically, the issue soon became deadlocked, at the same time remaining a critical area of dispute between the political parties. Issues related to the dissolution of the PLA were so contentious that even the government collapsed. During the "Katwal episode", Prime Minister Prachanda tried to remove the army chief from his post. However, massive resistance from all sides instead forced Prachanda to hand in his resignation as the Prime Minister.

The issue of dissolving the PLA regained impetus when UNMIN's mandate expired on 15 January 2011. The Special Committee for Supervision, Integration and Rehabilitation of the Maoist Army Combatants and its secretariat very effectively took over monitoring and negotiations. The UCPN (M) was once again in government at the time, now under the leadership of Bhaburam Bhattarai, which proved favourable as well. On 1 November 2011 – almost five years after the CPA was signed – Nepal's main political parties finally agreed on how the PLA should be dissolved. The seven-point agreement offered the combatants three options: 1. Integration into the NA (for up to 6,500 combatants); 2. Voluntary retirement, entailing large cash transfers; 3. Socio-economic rehabilitation, including education and vocational training (Candan 2012). In the end, only a minority (around 1,400 out of over 19,000 former combatants) were integrated into the army (Dahal 2012). Only six former combatants chose rehabilitation, while the vast majority opted for cash transfers. On 19 April 2012, the NA took over the PLA combatants, weapons and cantonments, thereby formally completing the dissolution of the PLA.

*Achievements and weaknesses*

Even though certain weaknesses and risks remain, the process of dissolving the Maoist army may be seen as largely successful and as one of the main achievements of the peace process.

First of all, it is quite remarkable that the peace was not disturbed during the five years of political negotiations preceding the dissolution of the Maoist Army (Interviews 16, 21). Initially, the political actors were convinced that solving the issue of dismantling the rebel army could be managed soon after the cessation of hostilities. In the event, however, the process took much longer than expected (Interviews 16, 52). Nevertheless, the Maoist combatants complied with the provisions of the CPA by waiting for a political decision within the 28 cantonments. The same is true of the Nepalese army, which stayed in its barracks. There were a number of minor violent incidents, but none of them brought the parties to the brink of renewed war.

Second, the political deal struck in November 2011 solved one of the main problems of the peace process. The seven-point agreement provided a practical solution to the question of how to deal with the former combatants. Dissolving the Maoist army successfully ended the peace process, since the constant threat stemming from the existence of two armies was finally averted. However, the initial idea of merging the two armies was not accomplished (ICG 2012b, 7/13).

Third, the reintegration of former combatants has been peaceful to date. Most former combatants opted for voluntary retirement (with cash payments) and had to be reintegrated into Nepalese society. Although not much time has passed since then, many interviewees rate this process as having been successful so far. Contrary to the concerns of many observers, the former combatants have apparently used the money carefully, investing it in land and houses instead of weapons (Interviews 12, 20, 43). Moreover, no major violent incidents have occurred since the Maoist army was dissolved (Interviews 19, 20).

Fourth, the dissolution of the Maoist army also fostered the democratisation process in Nepal, since it underlined the peaceful intentions of the Maoist party. The military structure of the Maoist Party was dismantled under the seven-point agreement, thus reaffirming the party's transformation from an armed group that once challenged the Nepalese state to a democratic party (Interview 151).

Despite these substantive achievements, there have also been weaknesses and risks. Although the PLA appeared to have been dissolved in a smooth and peaceful manner, many former combatants are not happy with certain of the demobilisation conditions (Interviews 19, 38, 39, 40, 47). In particular, the restricted conditions for army integration are perceived as humiliating.[33] This may well have tipped the scale towards voluntary retirement, judging by the large number of combatants who opted for it (Pun 2012; Singh 2012). To quote one interviewee involved in the process, *"many dreams were sold on that day"* (Interview 20). In addition, former combatants continue to have concerns about the economic prospects. The general economic situation in Nepal is poor: growth is stagnant and unemployment is high. Against this background, former combatants are struggling to establish a sustainable means of livelihood, despite the cash payments.

The 4,008 verified minors and late recruits (VMLRs) in the Maoist army[34] are especially frustrated (Interviews 73, 52, 39). This is mainly due to the fact that they spent up to four years in the cantonments before being released in 2010 without any compensation. The VMLRs were not entitled to cash payments. The situation today is that many VMLRs are unemployed and feel alienated from the Maoist party and the Nepalese state.

To sum up, both dissatisfied former combatants in general and VMLRs in particular represent a potential for conflict (Interview 19). However, despite the risks that continue to be posed by dissatisfied former combatants and radical Maoists, the overall process appears to have been successful so far. Interviews with former combatants and experts

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33  The Maoist leadership had promised, for example, that the combatants' current training level would be taken into account and that PLA commanders would receive high ranks in the Nepalese Army. However, none of these promises were kept (Pun 2012).

34  The VMLRs are a group of Maoist combatants who were disqualified in 2010, since they had not reached the age of 18 at the point of verification (i.e. were regarded as child soldiers) or were recruited after the ceasefire.

close to the Maoists suggest that it is rather unlikely that many former combatants will be willing to take up arms again (Interviews 16, 18, 19, 25, 51).

In addition, in the course of finding a political solution for the dissolution of the Maoist army, the more radical faction of the Maoist party, led by Mohan Baidya (alias Kiran), split off from the party's main body. The recently founded Communist Party of Nepal (Maoist) (CPN-M) employs violent rhetoric to express its dissatisfaction with the agreement, even threatening to go to war again. The CPN-M is eager to mobilise people who are dissatisfied with the course adopted by the Maoist mother party, which is why former combatants form its target group (Interviews 19, 52).

A further problem with the process is the long time it took to reach an agreement. The question of how to dissolve the Maoist army preoccupied political leaders and polarised the political discourse. In this sense, the issue may have contributed to the Constituent Assembly's failure to adopt a constitution (see section 4.4.).

*Donor engagement*

Donors made various positive contributions to the dissolution of the PLA. In particular, the United Nation Mission in Nepal (UNMIN) and the cantonment support provided by the NPTF and GIZ played an important role in maintaining an undisturbed peace.

The CPA and the subsequent Agreement on Monitoring of the Management of Arms and Armies (AMMAA) created the framework conditions for a UN monitoring mission. The fact that the government and the Maoists jointly requested the presence of a third party boosted the mission's legitimacy and helped it discharge its mandate. Its arrival marked the start of the process of disarmament, demobilisation and reintegration (DDR). However, UNMIN's mandate was relatively narrow in scope[35] (Martin 2012). What is more, it was revealed after the verification process that the Maoists had intentionally exaggerated the number of combatants. The main established parties criticised UNMIN for not having prevented this (Singh 2010, 127/128). Nevertheless, a number of interviewees acknowledged that UNMIN's presence and its mediating role in the Joint Monitoring Coordination Committee helped to resolve disputes and build trust among the political parties, thus paving the way for the next step in the process (Interviews 17, 20, 52).

Besides UNMIN, the donors' support for the cantonments also helped to de-escalate tension and hence to uphold peace in the country. When it became clear that a solution for the Maoist army could not be reached in the short term, the auxiliary infrastructure needed to be enhanced for long-term use. We were able to identify only two donor projects affecting cantonment support: the NPTF's activities in the area of cantonment management and GIZ's Support to the Peace Process (STPP).[36] NPTF funding focused on the construction and maintenance of cantonment infrastructure, namely accommodation, access roads, electricity and water supply, communication, sanitation and healthcare. The NPTF also funded daily allowances for the Maoist combatants, which were also used for

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35  It included verifying the combatants, monitoring the cantonments and supervising weapons.

36  STPP was also funded by Norway (Interviews 16, 43).

ensuring the daily operation of the cantonments (Ministry of Peace and Reconstruction 2012, 7).

In its initial phase, STPP also focused on the physical infrastructure, including facilities for drinking water, sanitation and health. In addition, STPP offered education and vocational training for the Maoist combatants, so as to prepare them for a life after the cantonment phase (Interview 16).[37] Interviewees regarded this training aspect as an essential supplement to the cash payments, as it enabled the former combatants to use the money in a sustainable manner (Interview 43). By adopting a "do-no-harm" approach, STPP integrated the communities surrounding the cantonments, promoting regular interaction between villagers and combatants and seeking to minimise potential sources of conflict.[38]

Donors also contributed to the dissolution of the PLA by supporting key domestic actors. When UNMIN left Nepal in January 2011 (since its mandate was extended neither by the Nepalese government nor by the UN Security Council), the Secretariat of the Special Committee for Supervision, Integration and Rehabilitation took over its duties.[39] The Secretariat was headed by Balananda Sharma, a former army general, who was broadly accepted and valued on account of his integrity (Interviews 16, 29).[40] The Secretariat brought a new dynamic into the process and was described by several interviewees as an important actor mediating between the political parties, facilitating negotiations and depolarising the debate (Interviews 16, 18). Donors supported the Secretariat in two ways. First of all, UNMIN already laid the foundations for its work and UNMIN gave the Secretariat monitoring equipment to carry out its duties (ICG 2011a). Second, the NPTF funded its budget and the money was mobilised quickly (Interviews 15, 29, 141).

Several donors also claimed that they were active in high-level facilitation, thus helping to find political solutions to some of the most contentious issues associated with the PLA. However, it is difficult to trace any impact due to the secretive nature of this task. The donors' "integration and rehabilitation coordination group" headed by the UN repeatedly made concerted efforts to release the VMLRs from the cantonments. However, the Maoists were hesitant and tried to keep them there as a bargaining chip (Adhikari 2012, 265). For a long time, the issue of VMLRs blocked any progress in the discussions on the future of regular combatants. The ultimate release of the VMLRs in January 2010 paved

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37  Despite donor support for the cantonments, the latter were run by the PLA, i.e. army commanders. Combatants were obliged to contribute a share of their allowances towards the management of the cantonments (Interviews 16, 29).

38  In conjunction with the conflict-sensitive approach of integrating the surrounding communities, the training component also helped to change the combatant's mindsets. Interacting with civilians and learning employment skills helped the combatants to think about returning to a civilian life after their detention in the cantonments and thus helped to prepare them mentally for their reintegration in society (Interview 19).

39  A predecessor to the Special Committee, headed by the Prime Minister, was already formed in 2008 and tasked with finding a solution to the problem of the Maoist combatants. The Secretariat has operated as a technical subcommittee alongside the Special Committee since 2009. However, until the end of 2010, both bodies met only sporadically without making any important contributions to the process.

40  During the course of his career, he has commanded UN peacekeeping forces in the Golan Heights, Syria.

the way for the remainder of the process (Interviews 14, 43) and it would appear that donors contributed to this through high-level negotiations (Interview 22). We were also told that the NTTP regularly discussed the issue of army integration (Rawal 2013).

| Table 2: | Donor support for the dissolution of the Maoist army | |
|---|---|---|
| **Donor** | **Programme** | **Description of activities** |
| Denmark | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| European Union | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| Finland | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| Germany | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| | GIZ - STPP | Cantonment support: infrastructure, health, vocational training. |
| Norway | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| | GIZ - STTP | Financial support for STPP. |
| Switzerland | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| | NTTP | Funding for NTTP (a facilitating role for the seven-point agreement). |
| UK | NPTF | Cantonment management, allowances, funding of Secretariat, rehabilitation of six former combatants. |
| USA | NPTF | Cantonment management, allowances, funding of Secretariat of the Special Committee, rehabilitation of six former combatants. |
| | NTTP | Funding for NTTP (a facilitating role for the seven-point agreement). |
| United Nations | UNMIN | Monitoring and supervision of combatants, cantonments and arms. |
| | UNIRP | Rehabilitation of VMLRs. |
| Source: | Authors' compilation | |

Donor engagement cannot be attributed to the weaknesses and risks associated with the process, such as dissatisfaction among former combatants, the split between the more radical faction of the Maoists from the mainstream party, or the duration of the whole process, which might have contributed to the failure of the CA. In the case of the VMLRs, however, the UN was engaged in rehabilitation measures with different agencies under the umbrella of its UN Interagency Rehabilitation Programme (UNIRP). Although the programme contributed to the successful rehabilitation of VMLRs in many cases (Interview 14; Transition International 2013, 31/32), some interviewees (including former VMLRs) were dissatisfied with the measures taken by the UNIRP (Candan / Crozier 2010,

15). Due to poor planning and communication, the UNIRP's programme may have partly contributed to the frustration felt by VMLRs (Interviews 12, 14, 22).

A particular instance in which donors *chose* not to play a role was in relation to the cash payments. When it was decided that the Maoist combatants could opt for voluntary retirement schemes, the Nepalese government was eager to fund these with money from the NPTF. However, donors were not in favour of the voluntary retirement schemes because of poor international experiences with such programmes. Donors were concerned that the money could not be controlled and instead would be used for disruptive purposes such as the purchase of arms (Bogati / Muggah 2011). This was the only case in which donors vetoed a formal government request under the NPTF. Instead, donors were willing to fund rehabilitation measures, including education and training. As mentioned above, the process of re-integrating many of the former combatants through voluntary retirement schemes seems to have been successful, whereas only six of over 19,000 combatants opted for rehabilitation. In the end, the process was successful despite the donors' refusal to pay. This was possible since the Nepalese state was able to mobilise the funds from other sources. Many interviewees said they were sure that China helped out in this regard (e.g. Interviews 14, 43).

Overall, donors contributed to three of the main achievements, but also to one of the weaknesses in the dissolution of the PLA. Cantonment support, UNMIN and high-level facilitation helped stabilise peace both during and after the cantonment phase. In addition, donors paved the way for the political deal struck on 1 November 2011. In relation to the issue of frustrated VMLRs, donor support did not fulfil its potential.

*Explaining the impact*

Numerous factors account for both successful donor support, but also its weaknesses. Some are inherent to donor interventions, while others relate to the specific domestic context.

Good coordination of the cantonment support provided by the NPTF and STPP is the first factor accounting for successful donor support (Interviews 16, 27). With regard to the dissolution of the PLA, good coordination resulted from two mechanisms. First, the NPTF not only performs projects through government agencies, it also acts as a coordination platform (Interview 72). Second, GIZ was the only donor agency that was allowed to operate directly in the cantonments. Since access to the cantonments was restricted, the number of donors that needed to be coordinated was fairly small. In fact, the interventions were complementary, thanks to coordination among all the parties involved. Although the projects offered support in congruent areas, the interviewees did not witness any duplications.

The second explanatory factor is the long-term presence of the GIZ in Nepal. This allowed them to operate in the sensitive area of cantonments. During Nepal's civil war, GIZ continued to provide assistance to a food security programme in conflict-affected areas and tried to act neutrally. This created trust between the Maoists and GIZ. In the aftermath of the civil war, when it became clear that the cantonments needed support, the Maoists themselves asked the German government for assistance. This request was confirmed by the Nepalese government shortly afterwards (Interviews 16, 175).

Given that the political negotiations leading up to the seven-point agreement needed time, cantonment support contributed to a positive outcome as well. Initially, the political actors were very hesitant and radical in their demands, but they gradually became more flexible and ready to accept compromises. Initially, the Maoists were interested in integrating as many combatants into the Nepalese army as possible, while the main established parties, the NC and UML, as well as the army and India,[41] opposed this. They feared that the Nepalese army would become politicised and that the deal would offer the Maoists a great deal of influence over the national security forces (Interview 22; Shah 2009b, 171).[42]

However, over the course of time, the main framework conditions changed, and this facilitated an agreement. By August 2011, the Maoists were once again heading a government[43] and had improved their relations with India and the NA. Moreover, the combatants detained in the cantonments were gradually becoming frustrated and wanted to leave. The NC and UML also became more flexible, agreeing to the idea of voluntary retirement in order to finally complete the process. In 2010, a more pragmatic army chief, Chhataman Singh, was appointed in charge of the NA (ICG 2012a, 27; Singh 2010, 124). Some interviewees also claimed that India's objectives shifted towards integrating the Maoists into multi-party politics and establishing good relations with them.[44] As time passed, domestic conditions became favourable, so that the political actors could come to terms with each other. Since the cantonment support contributed to de-escalation, it provided the time needed to find a political solution to the highly contentious issue of dissolving the PLA.

On the negative side, various factors explain why the VMLR rehabilitation programme (UNIRP) could not perform ideally: there was only a small amount of time in which to prepare the programme and its design depended on the wishes of different political actors (Interviews 14, 16). Moreover, beneficiaries of the vocational training measures proposed by the UN had only a low level of education on which to build. VMLRs struggled on the job market, in the face of prejudices among employers (Interview 24).

But what explanation is there for the failure of the donors' preferred rehabilitation scheme? Interviewees complained that the packages were too complex in design, not adapted to actual needs and poorly communicated (Interviews 16, 43). Yet besides these inherent factors, there are also a number of influential contextual factors. The Maoist party did not take ownership of the rehabilitation option. The different wings of the party

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41  A number of interviewees said that India wanted its engagement in Nepal to remain invisible, and often acted through Nepalese actors such as the NC, the UML and the NA. Interviewees testified to good relations between both countries' armies (Interview 20). India's position was also influenced by the fact that it was fighting Maoist rebels, the Naxalites, on its own soil (Interview 81).

42  The standpoints hardened further after the first government, headed by the Maoists, was sacked in the course of the Katwal episode in 2009. A broad coalition of parties described as an 'anti-Maoist camp' took over the government after this.

43  Interviewees said that the Maoists realised that the dissolution of the PLA was unavoidable, but wanted credit for it while they were in government.

44  Different accounts have been given for India's change of opinion. One of them is that India was under pressure to prove that it can ensure stability in its area of influence. Focusing on India's internal security problems with Maoist armed groups, another view holds that India intended to create a role model for the rebels by demonstrating that laying down their arms was preferable to armed insurgency.

explicitly asked the combatants to opt only for either army integration or voluntary retirement. In addition, many combatants had already received vocational training in the cantonments, so the generous cash sums in the voluntary retirement package were often seen as more attractive.

*Conclusion*

Donors were able to support the process of dissolving the PLA in quite an effective manner. Coordination and long-time presence are two aspects that should be emphasised in this context. First, cantonment support was effectively coordinated, partly due to the fact that only a small number of donors were involved. Second, GIZ's long-term engagement in Nepal offered an opportunity to become directly involved with the Maoist combatants.

Even though the process took quite a while and the political actors were regularly blamed for not reaching agreement earlier, in retrospect time was a necessary ingredient in enabling the actors to reach a compromise. The donors' involvement in cantonment support gave the political actors a valuable resource, i.e. time, and thus helped to stabilise the post-conflict environment in Nepal.

Since the PLA was demobilised and no major incidents of violence have occurred in the meantime, the process would appear to have been successful. Nevertheless, certain risks remain, caused by the sense of dissatisfaction among combatants. It is striking that, once the rehabilitation packages failed to attract a sizeable number of former combatants, the latter no longer featured prominently on the donors' agendas.[45] In order to ensure that the peaceful re-integration programme is sustainable, donors should try to remain engaged with this group so as to reduce dissatisfaction and ease tension.

## 4.3 Failure to institutionalise peace and democracy at the local level

Involving the wider population is crucial to the success of post-conflict processes. A peace process can be sustainable only if relevant actors at *all levels* feel represented (Höglund / Jarstad / Söderberg Kovacs 2009; Joshi / Mason 2011). This means not only including different societal elites (horizontal inclusiveness), but also gaining the participation of the public at large at different levels (e.g. national and local) to ensure vertical inclusiveness (Brown / Grävingholt 2011, 29–30). Thus, an exclusive focus on the elite is insufficient as grass-roots actors, such as members of civil society, need to be included as well. Their participation also helps to ensure that the conflict's root causes are addressed (Reimann 2004; Dudouet / Giessman / Planta).

Nepal's peace and democratisation process has focused predominantly on central government politics (Interviews 59, 136). Building strong local institutions to support peace and democracy throughout the country and thus strengthening the resilience of the post-conflict process has received much less attention. This is particularly problematic in

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45  By way of an exception, an STPP follow-up project is now operating to support communities in which former combatants have settled. It is due to expire in 2015 (Interview 16).

the light of the dissolution of the last locally elected bodies when their term expired in 2002. As a consequence, the participation of the public at large in political discussions and decision-making remains very limited (Interview 59). Centrally appointed bureaucrats are now in charge and chair the District Development Committees (DDCs) and the Village Development Committees (VDCs), which are the two lower levels of government in Nepal. They are informally supported by political party representatives. The involvement of political parties was formalised for a time in the form of the All-Party Mechanism (APM), until the latter was disbanded in 2012 following allegations of widespread corruption. Yet, *"its presence and influence [...] continues unabated"* (Asia Foundation, undated, 25). The failure to institutionalise peace and democracy at the local level significantly weakens Nepal's prospects for the consolidation of peace and democracy.

*Achievements and weaknesses*

A number of positive developments have occurred at the local level during the post-conflict phase. Most importantly, no major violent incidents have occurred throughout the country since the CPA was signed. While tensions and grievances persist, society has been able to deal with situations that could easily have led to renewed violence (Interview 54). This shows that Nepalese society possesses a certain level of resilience. In addition, a peace structure has been set up throughout the country in the form of the Local Peace Committees (LPCs). Despite being highly criticised, observers described them as being relatively effective in assisting the distribution of relief to conflict victims (Interviews 54, 55, 165). This has been despite complaints that the process was politicised and guided more by party affiliation than actual suffering (Interviews 54, 87, 152). Moreover, some LPCs at least were highly effective in facilitating conflict mediation (Interviews 55, 87, 164).

Another improvement ensued from mechanisms for enhancing inclusiveness and participation in local bodies. The APM, the LPCs and the social mobilisation component of the Local Governance and Community Development Programme (LGCDP)[46] ensure access to decision-making processes for different social groups, marginalised groups in particular. While these bodies are still far from representative, the changes are a considerable improvement (Interviews 138, 143). A recent comprehensive study on local governance in Nepal confirmed that local governments have been instrumental in involving marginalised groups (Mallik 2013, 63). It also found that one of the main achievements of LPCs was that they bring different stakeholders together (Mallik 2013, 123–124).

Local administration has also been strengthened to some extent and the government has re-established its presence on the ground (Interview 85). Far more funds have been distributed at the local level in the past few years. In combination with the improved implementation of local development programmes, this has helped to enhanced service delivery and bring the government closer to the people (Mallik 2013, 63). Local authorities have been able to better respond to the needs of the people, which has reduced public frustration and built trust (Interviews 60, 85, 143).

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46  The LGCDP is the first nationwide support programme for local governance. Launched in 2008, it is a government-led, multi-donor basket fund for improving local service delivery in line with local needs in a participatory, inclusive manner.

Despite these improvements, the current institutions lack certain functions that are crucial to the sustainability of the peace and democratisation processes. These are responsiveness and accountability, inclusiveness and participation, reconciliation, conflict transformation and enhanced cohesion, as well as the representation of local needs and interests vis-à-vis central government.

Almost all respondents pointed to the absence of elected representatives as a major problem creating a lack of responsiveness and accountability. This situation is exacerbated by the frequent transfer of appointed bureaucrats. Moreover, these bureaucrats often show a lack of commitment by being largely absent from their communities (Interviews 58, 60). This reduces the effectiveness of service delivery and hampers inclusive local development. More importantly, the situation poses a risk of institutionalising the present culture of collusion, corruption and patronage with severe long-term effects (Asia Foundation s.a., 25; Mallik 2013, 29).

The inclusive representation and participation of different social groups in decision-making is highly limited, despite the improvements described above. This applies both to political processes and to institutions involved in the peace process. The LPCs, for example, include representatives from marginalised groups and civil society. However, interviews revealed that their involvement is often on paper rather than in practice. Additionally, marginalised groups remain grossly underrepresented. More importantly, their participation is mostly limited to formalities and falls short of true involvement at an equal level[47] (Interviews 140, 155, 161). In general, the elite dominates both administration and decision-making. As a consequence, the tensions and grievances of marginalised groups are not adequately addressed, sustaining the risk of renewed conflict.

Reconciliation, conflict transformation and the improvement of cohesion at the local level are not proceeding as is required to strengthen the peace process (Interview 59). In a post-conflict setting, it is crucial to engage in reconciliation and conflict settlement so as to prevent a relapse into violence. In addition, society has to strengthen its ability to cope with tensions and manage the risk of future violence by building its resilience. To date, the peace process has not strengthened social cohesion to a sufficient degree. Neither LPCs nor any other institutions have been very effective in mitigating many communal tensions (Interviews 54, 152). On the contrary, some interviewees said that, in certain respects, local divisions were actually on the increase (Interviews 54, 57).

Different institutions (i.e. political parties, civil society and the LPCs) appear unable to play a positive, mediating role at the local level. Today, identification increasingly runs along communal rather than party lines, limiting the ability of political parties to effectively solve conflicts and tensions as they did before (Interview 54). At the same time, civil-society and human rights organisations have been criticised for becoming more politicised and seem to be losing their broad public acceptance (Interview 57). LPCs have not been able to make a positive impact *throughout* the country. Their performances have been highly divergent and they have been unable to fulfil their broad mandate. Apart from some very well-performing committees, LPCs suffer from politicisation, allegations of corruption, a lack of capacity and inadequate funding. They are said to be of minor

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47   This is also caused by a lack of experience and capacity constraints resulting from past discrimination.

relevance and duplicate existing structures such as the APM or indigenous conflict resolution mechanisms, which are often more effective (Interviews 54, 59, 152).

Last but not least, the system lacks a legitimate and empowered representation of local needs and interests vis-à-vis the central level (Interview 63). Bureaucrats are integrated in the hierarchical administrative structure. Their career depends on satisfying their superiors instead of the local population. Thus, these bureaucrats cannot effectively represent and stand up for local interests and needs. For this reason, respondents stated that central dynamics have a clear adverse impact at the local level (Interviews 87, 138, 156). This is illustrated by the 32-day *bandh* (strike) in the Far West region preceding the dissolution of the CA, which paralysed the district for over a month. The *bandh* was proclaimed because of divergent demands with regard to the pending national decision on state restructuring.

Almost all of the issues discussed above are closely related to the absence of elected representatives. While elections would not have been a panacea, they would have remedied a serious bottleneck at the local level. Some stakeholders argue that decisions on state restructuring need to precede local elections. Yet this seems to be a complication rather than an impediment. Power politics are a more convincing disincentive: the leaders of the main parties had reason to believe that local elections would not improve – and possibly would even undermine – their position in the status quo (Interviews 87, 169). On the one hand, all political parties (interestingly) seem to fear that they will perform worse than in the 2008 CA elections. On the other hand, local elections could pose a potential threat to the Kathmandu-based elite if new leaders emerge (Interviews 63, 169). Whatever their precise motivations, none of the main parties showed any real interest in holding local elections (Interview 61). By contrast, other stakeholders, such as the Ministry of Federal Affairs and Local Development, the associations of DDCs and VDCs and the appointed bureaucrats, frequently highlighted their urgency and called for prompt local elections (Interviews 85, 87, 93).

*Donor engagement*

Overall donor engagement in the institutionalisation of peace and democracy at the local level remained below its potential. Although donors contributed to certain achievements, weaknesses have prevailed at the local level. International support at the local level was channelled mainly through the Local Governance and Community Development Programme (LGCDP), alongside the limited donor support for the LPCs. The government-led LGCDP was introduced as an integrated multi-donor basket fund in 2008. It combines a number of earlier projects and aims to integrate and align other donor initiatives related to local governance, although a number of projects still remain outside this framework[48] (Interviews 58, 61, 158).[49] The LGCDP is implemented largely by the relevant ministry, with the exception of aligned programmes such as the technical assistance provided by GIZ. In total, donors contribute around 25 % of the budget channelled through the

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48  As these did not feature prominently in the sources we consulted for our research, they were not examined in detail.

49  While only a small number of donors participated from the outset, 15 donors now support the programme. Six of these have joined the Joint Financing Agreement. In addition, contributions have been made to the technical assistance fund and a number of aligned technical assistance projects have been implemented directly by donors.

LGCDP (Freedman et al. 2012). Content-wise, the LGCDP has a broad, transformative approach and covers the spectrum from rebuilding basic infrastructure to direct governance support in form of capacity development and strengthening downward accountability through empowerment.

| Table 3: Main programmes for promoting peace and improving local governance | | |
|---|---|---|
| **Donor** | **Programme** | **Description of activities** |
| ADB | LGCDP | Contributing to Joint Financial Arrangement (JFA) |
| | Financial support for LPCs | Lump sum for LPC infrastructure |
| CIDA | LGCDP | Contributing to JFA |
| Denmark/DANIDA | LGCDP | Contributing to JFA, support for UN-directed technical assistance |
| | Support for LPC via NPTF | Capacity-building |
| DFID | LGCDP | Contributing to JFA, support for UN-directed technical assistance |
| | Support for LPCs via NPTF | Capacity-building |
| EU | Support for LPCs via NPTF | Capacity-building |
| Finland | Support for LPCs via NPTF | Capacity-building |
| Germany | GIZ: Sub-national Governance Programme (SUNAG) | Technical assistance aligned to LGCDP |
| | Support for LPCs via NPTF | Capacity building |
| Norway | LGCDP | Contributing to JFA |
| | Support for LPCs via NPTF | Capacity-building |
| Switzerland/SDC | LGCDP | Contributing to JFA |
| | Support for LPCs via NPTF | Capacity-building |
| United Nations (6 UN agencies) | UN Joint Programme of Support for LGCDP | Technical assistance and capacity-building |
| World Bank | Poverty Alleviation Fund (PAF) | Targeted poverty alleviation and improved service delivery in 40 districts |
| Source:   Authors' compilation | | |

With regard to the first weakness, efforts to improve responsiveness in local service delivery and ensure the participation of marginalised groups were only partly successful in the LGCDP. The programme aims to bridge the gap left by the absence of elected representatives. It succeeded in creating a limited degree of downward accountability through performance-based grants combined with efforts to encourage marginalised groups to be aware of their rights and express their demands (social mobilisation). While this component lagged behind in the early stages of the programme, social mobilisation gained momentum when it received closer attention following a critical mid-term review in 2010. GIZ and DFID in particular seem to have made important contributions towards

improving social mobilisation efforts when they stepped in, drawing on the experiences and capacities of previous programmes (Interviews 55, 127).

The attempt to improve accountability through LGCDP structures was not very effective. The LGCDP was highly criticised when massive corruption became apparent and discredited local bodies. The distribution of enormous funds through nationwide structures in the absence of elected supervisory bodies entailed a high risk of corruption and patronage (Interviews 54, 56). While these incidents cannot be attributed directly to the LGCDP, donors have contributed indirectly by not properly addressing this risk, due to their focus on producing short-term results in form of a 'peace dividend' (Interviews 54, 61). However, one should bear in mind that the majority of funds were from government sources and would thus have been distributed without any donor involvement. Moreover, a number of measures were taken in the wake of the corruption allegations, such as the creation of a Local Governance and Accountability Facility[50] and the preparation of a Fraud Risk Reduction Action Plan. In addition, donors imposed more stringent requirements on the second phase of the LGCDP.

Second, improvements in inclusiveness and participation may be attributed in part to quotas and provisions in the LGCDP and LPCs. Compared to the past, they have indeed made a positive contribution in providing access to different societal groups and supporting inclusive decision-making. The LGCDP, for example, earmarks 35 % of local expenditure for women and other marginalised groups (Freedman et al. 2012). Yet, as we have already pointed out, these provisions have often remained restricted to official procedures without generating any substantial change resulting in the effective participation of these groups (Interview 140).

Third, donor support for conflict transformation was largely insufficient to meet the needs of Nepal's post-conflict situation. Donors focused mainly on supporting specific NGOs engaged in mediation efforts, instead of addressing the issue on a nationwide basis. Despite its clear mandate to support the implementation of the peace agreements, including the LPCs, the NPTF was not involved in their design and implementation (Interview 172). Although some donors had been closely involved in the conceptualisation of the LPCs, they failed to provide support enabling the LPCs to fulfil their broad mandate (Interviews 93, 151). The NTTP (Rawal 2013) and the Swiss, for example, supported the design of LPCs during their initial phase. Later, however, the international community was noticeably absent when it came to their implementation. Despite this, donors made several proposals (Interview 164) for improving the LPCs' performance, which the responsible ministry did not approve.[51] Financially, the Asian Development Bank made an important contribution in providing the resources to set up the appropriate operational structures for the LPCs, i.e. offices and secretaries. Only when the responsible ministry approached the NPTF in search of new funding were technical support and capacity deficits addressed by an NPTF project in 2011 (Interview 150).

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50  This semi-autonomous body funded by the government and donors is designed to improve downward accountability by involving and empowering civil-society organisations (see http://www.lgaf.gov.np/).

51  Possibly because the Ministry of Peace and Reconstruction wanted to preserve its control over the LPCs and thus rejected any form of external technical support (Interview 164).

Fourth, despite making some positive contributions, donors failed to effectively address the most profound local problems. Specifically, they failed to recognise the importance of local elections. Donors could have tried to jointly persuade the government to hold elections as part of the peace and democratisation process instead of postponing the process until all major national issues had been solved. There might have been a chance for successful donor engagement in this regard when a window of opportunity presented itself: one interviewee claimed that Prime Minister Nepal pushed for local elections but could not secure an agreement on their format. Apparently, the issue was not a priority for the main parties. Few donors seem to have seen its urgency at the time and supported the Prime Minister's initiative (Interviews 127, 169).

*Explaining the impact*

Focusing on the failure to adequately institutionalise peace and democracy at the local level, the analysis points to a number of explanatory factors for both effective and ineffective donor engagement. In general, our research suggests that the impact of donor engagement in this crucial area remained below its potential.

Coordination occurred to varying degrees and thus helps to explain positive effects, while a lack of coordination in certain areas prevented more effective engagement. On the positive side, the LGCDP has helped to improve local governance in several respects. This was enabled by the enhanced coordination of donor efforts in this nationwide framework and by building on good practices from previous programmes. The preconditions for coordination were quite good as the government was very keen to put an end to the diffusion of small-scale projects in selected parts of the country. As a consequence, the LGCDP was set up to build on good practices, improve donor coordination and extend coverage to the entire country (Interview 127). When GIZ and DFID engaged in social mobilisation, for example, they were able to draw on capacities and experiences from previous programmes. With regard to the LPCs, a lack of coordinated action on the part of the donor community seems to have prevented a more positive contribution. Had the massive funding facilitated by Asian Development Bank (ADB) been combined with effective capacity support as planned by other donors, this could have provided the input required to considerably improve the performance of the established structures.

Another factor reducing the effectiveness of donor engagement was the apparent priority attached to the promotion of short-term stability. Donor engagement focused on quick results that would be perceived as a peace dividend. Donors did not wish to disrupt the peace process at the central level in any way. This is clearly apparent with regard to the LGCDP. Participating donors admitted that, shortly after the peace agreement, negative factors such as corruption were accepted as minor inconveniences when set against the greater goal of securing stability (Interviews 58, 61). On the same theme, most donors did not want to disrupt the central-level political processes by pushing for local elections, fearing that they would distract from the process of drafting a constitution or even complicate consensus-building by prompting inter-party competition.

In general, we firmly believe that local elections could have made a positive impact at the local level. The donors' lack of commitment to supporting local elections as a shared priority limited their positive impact. While most donors acknowledge the importance of these elections, few of them were committed to this goal and became seriously engaged.

The sceptics argued that it was not their role to get involved in such political decisions, and this surely impeded a more united stance on the part of the donor community. Thus, a possible window of opportunity passed by unused. Moreover, contributors did not take advantage of the leverage offered by the LGCDP as a basket mechanism (Interview 127). The issue of local elections was not raised in the discussions on the LGCDP until recently. A reference to local elections as a requirement was not included until the programme's second phase, starting in July 2013.

The deficits at the local level have so far been addressed mainly with temporary, transitional arrangements, which are intended simply to alleviate the situation until local elections are held. This is true of both the APM and LGCDP-related efforts to improve downward accountability. Similarly, with regard to the peace process, the LPCs have been established and are still being set up at VDC level. At the same time, their mandate is extended only on a year-by-year basis, thus reinforcing their transitional character. Under the 1999 Local Self-Governance Act, their powers were supposed to be handed over to elected representatives once local elections took place. However, neither the responsible ministry nor the supporting NPTF has devised a strategy for facilitating a smooth transition that would ensure that skills are not lost.

With their focus on the transitional phase, these initiatives disregard the need to actively promote the prompt organisation of local elections at the same time. Until recent developments brought local elections back on the national agenda,[52] the political elite had shown scant interest in holding such elections. The transitional arrangements (such as the APM and the LPCs) very likely contributed to this situation, as they guaranteed all the main parties' access to resources and power at the local level, without endangering their position as a result of the emergence of new actors from within or outside the main parties.

*Conclusion*

Despite a number of initiatives and programmes emanating from both donors and the government, Nepal remains without key institutions for strengthening resilience and consolidating peace and democracy at the local level.

Though not a new finding, coordination was confirmed as an important factor for successful donor engagement in this context. As illustrated in the context of the LGCDP, good coordination enabled donors to concentrate their efforts and build on experiences and good practices from earlier projects. Along the same lines, better coordination among the donors with regard to the LPCs could have resulted in more effective support.

One explanatory factor for this is that the focus was on a peace dividend and on not disrupting the political process at the central level. At the same time, the long-term consequences for institutional practices were ignored. The transitional arrangements allowed for and promoted corruption, collusion and patronage and hence undermined democratic practices. What is more, the population was inadequately involved in the peace process and political decisions. Inclusiveness remains very limited. In other words, a

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52   The topic of local elections returned to the national agenda during political discussions on new CA elections and the adoption of an interim government under the Chief Justice. It was decided that local elections should be held six months after the CA elections.

prime cause of the violent conflict has not been addressed. In the longer term, therefore, this focus on short-term stability instead of building inclusive and legitimate institutions might limit the country's ability to consolidate the peace process, deal with sensitive political issues and build up its resilience.

## 4.4   The failure of the Constituent Assembly

In the post-conflict process, the Constituent Assembly (CA) was to take on the immense task of restructuring Nepal's political system in a democratic way. There was a great deal of enthusiasm when the CA first started its work: the monarchy was abolished and Nepal declared a republic at the first meeting. A CA member described the situation as follows: *"When the CA started to function we were all very upbeat and enthusiastic*: *this is one of the most inclusive and representative political bodies. It should work well, it would work well"* (Interview 116). However, in spite of four extensions extending its tenure from two to four years, the CA failed to enact a constitution.

Seven months after the CA elections, 11 thematic committees (each comprised of 43 members) started preparing drafts for different aspects of the new constitution. Although the drafting process progressed very slowly, by April 2010 all the committees had forwarded their drafts to the Constitutional Committee, which was to prepare a final draft (Chautari 2010). However, too many contentious issues remained unresolved.[53]

On 25 November 2011, the Supreme Court ruled that the fourth extension would be the last, leaving exactly six months in which to complete the task of writing a constitution (ICG 2012 a).[54] The Court also ruled that, if the CA was not able to pass a constitution by 27 May 2012, it would automatically be dissolved. It presented party leaders with three options: holding new elections, holding a referendum or finding a "suitable alternative"[55]. It was not until 15 May 2012 that the political leaders of the main parties reached agreement on the remaining contentious issues. However, the deal aroused major discontent not only among marginalised groups, but also among members of the main parties. Interparty and intra-party disputes hardened as a result (Interview 87).

The final days of the CA were characterised by intensive bargaining between political leaders and accompanied by strikes throughout the country. In the end, no agreement was

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53  The Committee on State Restructuring, for example, could not agree on one draft and instead handed in several competing drafts.

54  The CA's tenure was extended by amending the article 64 of the Interim Constitution. The Supreme Court was asked several times to rule on the legitimacy of the extensions. The Court twice decided that the CA tenure could be extended on grounds of necessity, but prohibited any further extensions in its third ruling. Many regard this final ruling as a form of interference with politics.

55  The general consensus is that alternatives were in fact available for preventing the dissolution of the CA. First, under article 64 of the interim constitution, the CA's tenure could have been extended by six months if a state of emergency were to be declared. Second, some argue that a clause in the interim constitution stipulated that the CA could continue to function as a regular parliament after its dissolution. It would therefore have been possible to convene parliament on 27 May and extend this meeting for as long as would have been necessary to finalise and endorse a draft (even though the CA had been dissolved). A third option, according to several interviewees, was for the CA to have passed a draft in May and to have left the outstanding issues to be decided by the next CA.

reached. Minutes before midnight on 27 May 2012, Prime Minister Bhattarai declared the CA dissolved and called fresh elections, leaving the country with no new constitution, no legislature and no legitimised government. This led not only to Nepalese citizens feeling a massive sense of frustration with politicians, but also to an erosion of public confidence in state institutions. For this reason, the failure of the CA to pass a new constitution has been described as the *"most serious setback to the peace process"* (Adhikari 2012).

*Achievements and weaknesses*

In spite of the CA's failure to deliver a constitution in May 2012, the CA can still be praised for important achievements: its thematic committees solved many highly contentious issues and the political situation of many marginalised groups was improved.

First of all, the technical work of the CA's eleven thematic committees is generally regarded as positive, as they were able to produce draft documents of high quality (Interviews 112, 89, 108). As a consequence, most interviewees agreed that it would have been technically feasible to pass a constitution on 27 May (Interview 87, 114, 130).[56] Hence, even though the constitution could not be finalised, a lot of groundwork had already been done.

Moreover, many highly contentious issues had already been solved at a higher political level. For example, although each technical committee had submitted its draft at the end of the first two years, over 100 issues remained disputed. The Constitutional Committee then formed a "High Level Task Force", which was able to narrow down the problematic issues considerably.[57] A consensus was reached on many highly debated aspects, such as the powers of the judiciary and the electoral system (Interview 114).

Finally, the CA helped marginalised groups to become empowered for the first time. Through the CA, Dalits, Janajati, women and Madhesis were able to voice their concerns and join the political arena. The CA helped these groups by creating awareness of their situation and the need for their inclusion into mainstream society. In sum, although the CA was not able to pass a constitution that granted more rights to marginalised groups, it helped change the people's mindset as well as attitudes to and within these groups (Interviews 167, 115, 90).

Obviously, the major weakness of the CA was that it failed to adopt a constitution. A majority of experts interviewed in this context identified the following five reasons as having eventually led to the failure of the CA:[58]

First – and the overwhelming majority of interviewees cited this as the main reason for the CA's failure – power in the CA was concentrated in the hands of very few uncommitted political leaders. These leaders felt entitled to take all major decisions and regularly

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56  One interviewee even claimed that a report existed on the basis of which a constitution could have been adopted.

57  This subcommittee of the CA was headed by Prime Minister Prachanda. The reported numbers of disputed issues range from 100 to 200. Only 20-50 issues are said to have remained unresolved after the subcommittee had completed its work.

58  The five reasons are ordered according to how often they were mentioned by interviewees.

bargained outside formal CA structures and behind closed doors. Most importantly, instead of concentrating on constitution drafting, the political leaders focused their attention on power-sharing games and the formation of governments (Chautari 2009; Chautari 2013). This is illustrated by the very low rate of attendance of political leaders at thematic committee meetings and the fact that a whole year was spent on government formation after the first extension of the CA's term of office (Chautari 2009). As a result, too many highly contentious issues were discussed by political leaders only at the very end, when finding a compromise had become very difficult.

Second, there was a lack of consensus, in particular on the most important topic left to be decided by the CA: the issue of federalism. The parties adopted many different positions.[59] In particular, the notion of identity-based federalism (i.e. naming and dividing federal states according to ethnic groups) led to polarisation in the CA (Kiruppalini 2011; ICG 2011b). Even though political leaders struck a compromise deal on 15 May, including a proposal for a federal structure, large-scale protests emerged within *every* party, with even the higher caste Chetri and Brahmin organising protests throughout the country (Interviews 74, 142).[60] Political leaders felt that maintaining this compromise would have entailed a risk of losing the support of their constituencies, because whatever they decided would be deemed to have been rejected at grass-root level (Interviews 94, 165, 142).[61] The parties backtracked just a few days later.

Problematic or missing procedural regulations are a third factor that was often cited as leading to the demise of the CA. Procedures and guidelines were regularly ignored and attendance at the CA was low, on average ranging around 62 % (Chautari 2013; Chautari 2010). Having the same body function as both a CA and parliament was cited as one of the biggest procedural weaknesses, as the members prioritised parliamentary tasks over constitution-making and party politics stood in the way of reaching the compromise that was needed to pass a constitution.

Fourth, despite the fact that the CA's inclusiveness should be seen as one of its main strengths, many interviewees stressed that the fragmentation of CA members along identity groups cutting across party lines made the CA's work more difficult and complex. In particular, the strong emphasis on group interests prevented the emergence of a sense of unity and a common interest within the CA (Interview 140). CA members were deeply

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59  The different groups represented in the CA all had their own perceptions of federalism. While a desire to turn Nepal into a federal republic was on the Maoist agenda from the very beginning, it was pushed further by the Madhesi groups, who demanded a single state for the Madhesi region. Other marginalised ethnic groups hoped to advance their causes and end their exclusion by demanding a federal structure based on ethnicity. By contrast, the established political parties, the NC and the UML, preferred only a small number of provinces based on the principle of economic viability.

60  Some interviewees claimed that none of the main parties genuinely favoured federalism. They believed that the CA was dissolved because the party leaders hoped that the next CA would be less inclusive. This would have enabled a constitution to be passed under which they would not be obliged to share power (Interview 105).

61  This argument offers a potential explanation as to why the CA was dissolved despite the existence of alternative options that would have given the parties more time to finish a constitution (see footnote 55): a constitution would have had to be a compromise. But the parties were not willing to compromise. As one interviewee put it, *"I don't see that consensus was that difficult. What was difficult was that they were not united in making a constitution"* (Interview 87).

divided along ethnic lines and felt more comfortable in their caucuses[62] than in their respective parties (Interviews 113, 87). However, although the fragmentation along group lines certainly was a great challenge to the CA's stability, many interviewees agreed that the marginalised groups cannot ultimately be blamed for the CA's demise (Interviews 87, 90). On 27 May, representatives of the various groups clearly signalled their willingness to accept a compromise and urged the political parties to pass a constitution. *"They told the parties that they want to save the CA, that they wouldn't want the CA to die just because their demand was not being met. So, the Janajatis had backed out, the Madhesis and Women were flexible"* (Interview 90). Nonetheless the multiple cross-cutting lines of division within the CA contributed to the paralysis of the constitution-making process over a long period of time.

Fifth, the prioritisation of the peace process also explains why the CA failed to deliver a constitution. Above all, party leaders from the NC and the UML insisted that the PLA be dissolved before a constitution was promulgated (Interview 114).[63] Thus, the fact that the issue of army integration remained unresolved for most of the CA's tenure was a major obstacle to the constitution-making process (Interviews 17, 130, 116). The common claim that the CA failed because the most contentious issues were discussed last is also related to this factor. Political leaders were occupied with the peace process and government formation, rather than the task of drafting a constitution (Interview 130).

Besides these five main reasons, the interviews pointed to several other factors that purportedly created stumbling blocks for the constitution-drafting process but which were cited less often. These included the controversial role of the Supreme Court and its judgements, a lack of Indian and Chinese support for the constitution, the weak and passive role of the CA chair, as well as intra-party disputes during the CA's last few months (although the latter point is closely linked with the cross-cutting fragmentation of CA members).

To conclude, a combination of power games, hard stances on the issue of federalism, problematic or missing procedural regulations, a fragmentation along identity groups cutting across party lines, and the prioritisation of army integration led to the failure of the CA.

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62  There were three caucuses in the CA: the women's caucus (33 % of CA members), the Dalit caucus (50 members) and the Janajati caucus (218 members). These caucuses were comprised of CA members from all parties and aimed at promoting the interests of the respective groups.

63  The UML and the NC made the dissolution of the PLA a precondition for giving their consent to a draft constitution because they feared that the Maoists could use their army as a bargaining chip to shape the constitution according to their own preferences (Interviews 12, 133, 141). One interviewee interpreted the events in May 2012 as follows: after the PLA was dissolved, the Maoists had indeed lost power and were thus not strong enough to push through their demands (despite the fact that they headed the government). However, substantial concessions would also have been difficult to obtain, because the handling of the PLA had already drawn strong criticism from within the party and newly erupting *bandhs* in the last weeks of the CA fuelled the Maoists' fear of losing their support base.

*Donor engagement*

Even though constitution-building never figured as prominently on donors' agenda as other topics, it is safe to say that virtually all the major donors engaged in activities relating to the CA. These ranged from study tours and the provision of technical expertise to capacity-building for marginalised groups and the facilitation of high-level political dialogues.

| Table 4: Donor engagement in the Constituent Assembly | | |
|---|---|---|
| **Donor** | **Project name** | **Description of activities** |
| IDEA | Support for constitution-building and electoral reform | Support for women's and indigenous caucus, facilitation of dialogue among key political actors |
| TAF | • Nepal Peace Support Programme<br>• Centre for Legal Research and Resource Development<br>• Nepal Constitution Foundation<br>• Nepal Peace Support Project<br>• Society for Constitutional and Parliamentary Exercise | Round-table discussions on constitutional development, training for CA members, study tour to India on Indian models of federalism, high-level facilitation through NTTP |
| USAID | • Support for NTTP<br>• Support for The Asia Foundation | Support for the CA, political parties and NGOs, high-level facilitation |
| Switzerland/ SDC | Support for constitution-building and federalism | Expert advice, capacity-building on federal structures, study tours, dissemination and outreach |
| | Support for the Forum of Federations project: Supporting Nepal's Constitutional Transition | Round-table discussions and workshops on federalism with international experts, study tour to Switzerland |
| JICA | Study Tour and Orientation on Constitution Making and Management of Parliament | Capacity development, study tours and dialogue programme |
| Germany/GIZ | Federalism Support Programme | Provision of technical support for the debates on state restructuring and federalism in Nepal (e.g. study tours) |
| DFID | Enabling State Programme | Awareness-raising and knowledge generation on constitution-drafting process, promotion of effective participation and representation of marginalised groups |
| CIDA | Developing democracy in Nepal: engaging with the Constituent Assembly on constitutional development | Study tour, publication of paper and reports, workshops |
| UNDP | Support for Participatory Constitution Building (SPCBN) | Support for women's and indigenous caucus and civil-society organisations, and for the transition to federalism |
| DANIDA | • Support for SPCBN<br>• Joint Mechanism for Political Party Support and Strengthening | Capacity-building measures, workshops for political parties and civil-society groups |
| Norway | • Support for SPCBN<br>• Facilitation of high-level dialogues | Promotion of dialogues on federalism |
| Source: Authors' compilation | | |

Although donors supported the constitution-making process in various ways, thus contributing to the positive aspects of the CA, they also reinforced some of the problems causing the CA's ultimate failure to deliver a constitution.

On the positive side, it can be said that donors contributed to all the CA's achievements. By providing technical assistance and expert advice, study tours and workshops, donors raised CA members' understanding of how to draft a constitution, particularly in relation to highly complex issues such as federalism or the form of government.

By facilitating high-level political dialogue and encouraging consensus, donors also helped to solve a number of contentious issues affecting the CA. To illustrate, thanks to Swiss engagement, party representatives reached a compromise on the form of government during an NTTP-sponsored visit to Switzerland (Interview 15). However, party leaders later backtracked from this agreement.

Moreover, donors took capacity-building measures on behalf of marginalised groups and thus furthered the empowerment of these groups. For example, International IDEA, UNDP and DFID supported marginalised groups in the CA by providing technical expertise and skills training, and encouraged their participation in the constitution-building process. In addition, SDC and TAF engaged in outreach and dissemination activities, taking the debate on Nepal's future constitution to the grass-roots level and to marginalised communities (Interviews 130, 98, 112, 97).

Although donors cannot be blamed for the eventual dissolution of the CA, they reinforced some of the negative aspects of the CA's work, thereby contributing indirectly to its failure. Overall, an overwhelming majority of Nepalese interviewees were highly sceptical about donor activities in the CA process.

According to some interviewees, donors reinforced the secretive nature of bargaining by establishing dialogue mechanisms outside CA structures. Indeed, the NTTP, UNDP and International IDEA all supplied parallel discussion opportunities outside formal CA structures, instead of encouraging plenary discussion (Interviews 130, 133, 97). This is not to say that high-level facilitation *per se* is problematic. On the contrary, it has proved a useful instrument in other areas. Nevertheless, the multiplicity of such fora may have been a problem in the light of the low CA attendance rates and the weakness of its formal procedures.

Due to their differing approaches to federalism, donors also contributed to the hardening of stances on federalism. To illustrate, some donors actively supported federalism, while others did not or were even sceptical about the idea. In addition, donors supported different groups who were in favour of specific types of federalism, such as the Janajati groups in the case of UNDP and IDEA, and the Madhesi groups in the case of SDC. These groups generally promoted competing ideas and models of federalism, which would have made a focus on finding compromise even more vital (Interview 108).

Similarly, donors may also have contributed to the fragmentation and polarisation of the CA along ethnic lines. For instance, donors such as DFID and SDC provided capacity-building assistance to marginalised groups such as Madhesi and Janajati instead of concentrating on building compromises among them. Likewise, the support provided by International IDEA and UNDP for the establishment of caucuses went only as far as to

help form them. Interviews revealed that little was done initially to support interaction and agreement on a common agenda. It was only at a later stage that some donors became aware of these shortcomings and adjusted their strategy accordingly (Interviews 104, 105, 112). The support for individual groups rather than political parties also reinforced intra-party disputes, as became apparent during the final weeks of the CA (Interviews 101, 106, 99). This argument does not endorse the criticism commonly levelled by some Nepalese, who have accused donors of *"having stoked ethnic sentiments."*[64] Rather, donors followed what the parties had agreed upon in the CPA, namely the empowering of marginalised groups. This had been one of the principal items on the Maoist agenda. Moreover, there is ample evidence that enhancing inclusiveness is critical to the success and sustainability of peace and democratisation. However, the Nepalese case shows that promoting inclusiveness can create problems in the short run, which need to be addressed and carefully handled. Moreover, donors' mixed record in this respect caused a powerful backlash. It allowed precisely those domestic elites who felt most threatened by the emergence of new societal actors to publicly criticise international interference and lay the blame for the CA's failure at the donors' door.

Most of our interviewees agreed, however, that the dissolution of the CA should ultimately be seen as a national political decision over which donors were able to exercise only a limited degree of influence.[65] Moreover, the question is whether the international community could really have done more to prevent the dissolution of the CA. There were very few affirmative responses to this question. The dissolution of the CA actually came as a surprise to most people, as they had expected that a constitution would be passed at the very last minute. Given that the actual outcome was hardly expected, it would be implausible to blame the donors for not having foreseen and prevented the CA's failure (Interviews 94, 130, 115).

*Explaining the impact*

What factors account for both the negative and the positive contributions of donors? As may be seen from the example of International IDEA, which has continuously supported Nepal in its efforts to establish a new constitutional framework since 2004, a long-term presence and continuous involvement can build trust and enable political access, thus providing the basis for successful engagement (Interview 97). What is more, combining different measures and instruments such as high-level facilitation and capacity-building proved to be fruitful (Interview 89). However, even donors engaged in high-level facilitation acknowledged that their efforts failed to reach top-level leaders. The donors assumed that second-level leaders would be able to influence the party leaders, but communication between top leaders and second-level leaders was apparently insufficient to achieve this goal (Interviews 97, 130, 102). In sum, despite a number of individual achievements, donor support for the CA was unsatisfactory. Obviously, this assessment

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64 The former UNDP Center for Constitutional Dialogue project (now replaced by SPCBN) and DFID's support for the Nepal Federation of Indigenous Nationalities are cited most frequently in this respect. Following this line of argumentation, some interviewees blamed donors for contributing directly to the CA's failure by supporting marginalised groups.

65 Once again, this concurs with our general assumption that donors can only support national actors in bringing about political outcomes.

cannot be made independently from the failure of the CA. Yet even from a purely procedural, 'do-no-harm' perspective, support for the CA contained several problematic features.

Two important factors help to explain the unsatisfactory results of donor support for the CA: a lack of goal orientation and insufficient coordination. Although donors aimed at constitution-building, at times their immediate goals (e.g. empowerment of certain marginalised groups) complicated the process, especially because no adequate accompanying measures were taken to cope with the resultant additional complexity. In sum, there was no clear focus on *promulgating* a constitution. This lack of a common primary goal may be seen, for example, with regard to the issue of federalism. As an INGO representative put it, *"I think some members of the international community allowed themselves to be drawn into seeing the constitution as a federalism-based constitution or not – when in fact it should have been about the constitution"* (Interview 17).

Moreover, there is a lot of evidence that donor activities in the field of constitution-building were poorly coordinated, which caused major inefficiencies. On the one hand, many donors were active in the CA. As one interviewee sarcastically put it, there were *"601 CA members and 601 projects"* (Interview 133). On the other hand, not a single interviewee named specific coordination mechanisms for CA-related activities. With regard to high-level facilitation, for example, it became evident that coordination was lacking, as several donors engaged in their own high-level dialogue efforts (Interviews 15, 83, 106). Furthermore, donors' divergent approaches to federalism illustrate that a lack of coordination may also lead to conflicts between different programmes. Overall, donors have been harshly criticised for the duplications resulting from the uncoordinated multiplicity of projects. However, many donors themselves also acknowledge that coordination could have been much better (Interviews 93, 128, 130). One INGO representative stated in this context: *"The CA was a complete mess [...]. We did whatever we felt we thought that we should be doing"* (Interview 93). This lack of coordination led not only to conflicts and inefficiencies, but also to serious reputational damage to donor support for constitution-building in Nepal. All but one of our Nepalese interviewees (irrespective of their profession or party affiliation) severely criticised donor engagement for one of the above reasons. In other words, better coordination would have raised the acceptance of donor activities in relation to constitution-building.

A strong domestic lead agency with the will and ability to effectively coordinate external support was absent in the case of the CA. Although donors coordinated some of their activities with the CA secretariat, the latter did not take on the same strong role as the Election Commission had done in coordinating support for the elections. Interestingly, it would appear that the CA secretariat denied donors the right to work directly with the CA's thematic committees (Interview 114). However, donors still implemented their constitution-related projects, albeit without the blessing of a relevant domestic agency and on a very *ad-hoc* basis (Interviews 97, 121, 117). Commenting on the issue of coordination with regard to the CA, an INGO representative stated: *"The first question to ask is: was the national capacity good enough to streamline donor assistance or not? If the national capacity wasn't good enough, then you can see chaos"* (Interview 93).

*Conclusion*

To conclude, the CA ultimately failed to fulfil its task of drafting a constitution. As a result, a democratic process that started with very high expectations ended in great frustration and a serious deadlock in the Nepalese peace and democratisation process. While the CA also produced some positive results, such as empowering marginalised groups and resolving various contentious issues, the reasons for its failure are manifold: political power games, uncompromising stances on important issues, a complex web of groups complicating the process, a prioritisation of stability issues over democratic processes, as well as the position of important regional powers.

Although donors contributed to some of the positive elements of the CA, they also reinforced some of the negative aspects that ultimately led to its failure. A lack of coordination and goal orientation explains the adverse effects of international support. This led not only to duplications and contradictions, but also to reputational damage to donor support for constitution-building. Such damage could in fact hamper future donor activities in Nepal's ongoing constitution-building process.

# 5    Findings

Whereas the previous chapter consisted of in-depth analyses of each critical juncture, this chapter focuses on the conclusions that may be drawn by comparing the results across all four junctures. We go beyond the question of whether donors contributed to the consolidation of peace and democracy in Nepal, which we generally confirmed, and discuss what explains the positive and negative impact we found. Our three hypotheses guide this analysis. We find the strongest support for the second hypothesis, namely that coordination contributes to the effectiveness of international support for peace and democracy. With regard to the first hypothesis, the relationship in Nepal proved in practice to be the opposite to what we had initially assumed: prioritising peace hampered democratisation. The influence of India, the third hypothesis, could not be proven due to a lack of hard facts. However, two interesting new findings emerged from the analysis. Additionally, ownership proved to be a delicate issue in each of the four junctures.

## 5.1    Prioritising stability and the adverse effects on democratisation

Our first hypothesis focused on the trade-offs between peace and democracy facing decision-makers in post-conflict situations and the dilemma this poses for donors. More specifically, we set out to test the hypothesis that *pushing for democracy destabilised the Nepalese peace process.* Our research did not confirm this hypothesis, however. On the contrary, we found evidence for the opposite effect: prioritising stability hampered democratisation in Nepal.

Prioritising stability is often a logical choice in post-conflict situations, where all efforts focus on preventing a relapse into violent conflict, following the *sequencing* approach recommended by Mansfield and Snyder (2007, 5; 2008). Sequencing can have very positive effects on a peace process, as the case of Nepal's CA elections illustrates. Even though the process did not meet the highest democratic standards, the 2008 elections were

a crucial step in the peace process and were overwhelmingly viewed as a very positive event. The success of the elections, as well as the positive contribution by the donor community, derives from the clear priority attached by domestic and international actors to holding elections at that time and gaining a broadly accepted result that would enable the peace process to proceed.

Yet considerable detrimental effects can ensue from a continued prioritisation of stability at the expense of other relevant goals beyond the immediate post-conflict phase. While substantial successes were achieved in the Nepalese democratisation process, it continues to suffer from profound deficits and remains in a serious state of deadlock. The prioritisation of stability contributed to this situation in certain respects, as has been highlighted at the local level. Although local elections would have had the potential to solve a number of problems, donors did not engage effectively in this regard. Instead, certain state institutions were allowed to be discredited for the sake of maintaining stability in the context of the LGCDP. The long-term effects of these practices were apparently disregarded: a culture of corruption, patronage and collusion is widely reported throughout the country. This situation severely hampers the democratisation process and delegitimises developing democratic institutions.

The damaging effects of the primary focus on short-term peace are also illustrated by the CA's attempt to draft a constitution. It would appear that supporting constitution-building was simply not as high on the political agenda as dissolving the PLA. Thus, the dissolution of the PLA actually hampered the adoption of a constitution, since all forces were concentrated on first finding a means of integrating the Maoist ex-combatants.

In addition to the negative trade-off a focus on stability can cause, certain institutional arrangements designed and successfully employed in the peace process were counter-productive when employed in the context of democratisation. This is illustrated by the NTTP, which had quite successfully facilitated peace-related processes and dialogues in the context of the CA election and played a positive role in the dissolution of the PLA. Both of these junctures are linked more directly and importantly to the peace process. The NTTP was much less successful in terms of the two other junctures, which are related more closely to democratic processes. Local elections were never even discussed in this platform, and it did not help either with regard to the CA.

There are also good reasons for supporting democracy directly and without delay in a post-conflict setting. First of all, the Nepalese case shows that such a process can be a great opportunity for supporting the establishment of a democratic system. The first meeting of the CA was symbolic in abolishing the monarchy and declaring Nepal a democratic, secular and federal state. This illustrates the unique window of opportunity such a process presents for donors to support the fledgling democratisation process.

What is more, legitimate representative structures can play a very positive role in social bargaining, which is integral to post-conflict processes. A number of decisions need to be taken when determining the future of a country, as is exemplified by the drafting of a new constitution for Nepal. In this context, it is crucial to involve the population in order to establish a sustainable and inclusive peace. In the case of Nepal, local elections could have produced legitimate institutions, which would then have been able to involve the population in debates and decisions at the central level and negotiate on their behalf. This

could have prevented tensions such as the 32-day *bandh*, when different groups forcefully voiced their concerns about decisions taken at the central level. What is more, such legitimate representatives of local interests could well have facilitated sensitive decisions in Kathmandu. Thus, building and strengthening democratic institutions can even help to make a peace process more sustainable. Moreover, the month-long *bandh* demonstrates that neglecting democratisation can actually destabilise the peace process in the long run.

Trade-offs between peace and democracy run both ways, of course. The Nepalese case demonstrates how supporting democracy also entails certain risks for stability. One important feature of democracy is pluralism. Yet pushing for inclusiveness can reinforce tensions in society. This dilemma caused a serious backlash for donors, who were frequently accused of having stoked ethnic sentiments by supporting marginalised groups. The difficult issue here is how to promote pluralism, but do so in a manner that strengthens existing or newly emerging political institutions rather than exacerbating their paralysis. In particular, attention should be paid to fostering an adequate institutional framework that allows the political system to cope with this new complexity.

In conclusion, the Nepalese case demonstrates that a focus on stability may be necessary and useful in post-conflict settings, particularly during the early stages of the process. However, democratisation processes should not generally be delayed, as they are often necessary to make peace sustainable. Judgements about how best to guarantee participation and inclusiveness of society at large need to be made early on, to prevent path dependency that is difficult to reverse and could act as a new source of future conflicts. In addition, prioritising stability at the expense of democracy entails a risk of undermining those democratic institutions and practices that are already in place. This conclusion drawn from our findings confirms the gradualist approach advocated by Carothers (2007, 16).

## 5.2    The positive impact of donor coordination

The second hypothesis that guided this research project highlighted the importance of coordination among donors and the coherence of their approaches. The hypothesis is that *donor coordination contributed to the effectiveness of peace and democracy support in Nepal*.

The underlying assumption is that better coordination makes donor engagement more effective and hence fosters the consolidation of peace and democracy. Our research clearly confirms this hypothesis: at all four critical junctures, coordination affected the success or failure of external support in Nepal. In addition, the junctures revealed that three aspects connected to coordination are particularly important in order for donor engagement to have a positive impact: the prioritisation of one common goal, strong domestic leadership in coordination and the use of mixed instruments. Mastering the challenge of effective coordination increases the likelihood of donor engagement having a positive impact, as our analysis revealed. For instance, donors gave maximum support to the elections for the Constituent Assembly in 2008. Given that it would have been simply impossible for one donor to target all of the electoral aspects at the same time and with the same effort, coordination mechanisms enabled highly systematic and focused international support. This demonstrates that coordinating activities facilitates an efficient division of labour.

Our second example, the LGCDP joint government-donor programme, reveals another positive outcome of coordination: the possibility of sharing and combining best practices and thus ending the fragmentation of small-scale projects. By contrast, international support for the work of the Constituent Assembly is a negative example, with myriads of programmes by virtually all the big donors engaged in Nepal. Having so many actors working on programmes in an uncoordinated manner created duplications and proved inefficient. The negative perception of donor support in the CA shows that coordination is not only about efficiency. Other negative effects can ensue from its absence: in the case of the CA, international support was widely criticised, giving donors a bad reputation. This could endanger future prospects for their engagement.

However, effective coordination can emerge only if there is agreement on a common primary goal. Usually donors argue that they share a whole catalogue of goals and that coordination could build on these. Yet our findings suggest that such an understanding fails to acknowledge the frequent short-term inconsistencies between multiple goals. Thus, it is necessary to prioritise one common goal at a given point in time if coordination is to lead to complementarity rather than competition. This becomes clear if we look at donor prioritisation in the CA elections. The very clear common goal among donors of making elections possible and acceptable guaranteed a successful international engagement. Their shared strategic prioritisation of peace and stability in this context, which also matched the national interest, was not challenged by other political or strategic interests among donors. As a consequence, the CA elections may be considered as the most positive example of donor engagement examined in this report – thanks in part to the efficient division of labour, but first and foremost to the donors' shared focus on one common primary goal.

By contrast, donors failed to concentrate their efforts to a similar degree in other junctures. With regard to the local level, only few donors were committed to the goal of holding local elections and were seriously engaged in this respect. Others argued that it was a national decision and said that they did not consider it appropriate to become involved. Likewise, a consistent prioritisation of a common goal was missing in the donor support for constitution-building. Although most donors would argue that, as a matter of course, their primary goal was the promulgation of a constitution, some of their most visible activities were in fact detrimental to that goal as they complicated the negotiation process without opening adequate avenues for resolving the additional complexity. Moreover, interaction among donors was driven in part by competition over influence, and efforts at coordination do not appear ever to have reached the point of a deliberate division of labour based on a holistic picture of domestic demand rather than on donor supply. Instead, the lack of a truly common goal led to contradictions, the counterbalancing of different engagements and missed opportunities. Overall, it limited the impact of international support.

Highlighting the importance of one common primary goal does not mean to say that all engagement should be reduced to one set of activities, thereby limiting the sometimes very fruitful diversity of engagement. Instead, it suggests that donors agree on a common primary goal for each thematic field. This implies that donors should first agree on specific common goals for each set of activities (for example, in the Nepalese case, elections, DDR, constitution-building and local governance). Second, the activities in each thematic field should be designed to support the primary goal. For example, the promulgation of a constitution as the greater objective might run in parallel with support

for marginalised groups in the CA, but be accompanied by other measures and designed in such a way as to enable the CA's decision-making procedures to deal with those groups' concerns constructively. Obviously, most activities pursue a whole cascade of differing objectives at the same time, such as mobilising civic engagement, promoting inclusion, empowering the political representation of marginalised groups and strengthening institutional capacities. These objectives often go hand in hand. At times of political tensions, however, such a harmonious scenario is the exception rather than the rule. More often, conflicts occur, as interests clash and process dynamics change the context. In such a scenario, providers of external support need to be mindful of their primary objective and, in the event of a conflict between competing purposes, secondary objectives and activities need to be subordinated to that primary goal. Of course, there is always a danger of pursuing the "wrong goal". Yet, while this danger exists, an intense and critical debate among all donors leading to agreement on a common primary goal should reduce this risk and lead to better informed and more deliberate objectives. Furthermore, scrutinising one's own goals must not be something done only in the early stages. Rather, it should be a constant process of reflecting on developments and new dynamics. As the goal donors set themselves needs to be tailored to the specific framework conditions, it must also be kept flexible, so that donors can adapt their strategy to changing circumstances.

What also becomes very clear is the crucial question of who takes the lead in coordination. When it comes to coordination, the OECD highlights the challenge that post-conflict states are often too weak to impose a certain degree of order on donors, which is why a foreign lead agency should take over coordination in this case (OECD/DAC 2008, 47). Our research shows that domestic lead agencies were indeed vital for coordination. In some of the studied junctures, Nepal successfully created government-owned mechanisms for aid coordination. The strong leadership of the Election Commission in managing the elections and coordinating donors shows how fruitful a domestic lead agency can be. The same argument holds for the dissolution of the PLA, where donors were implicitly coordinated by the Nepalis due to the very restricted access, leading to very few and concentrated activities in this area. As a government-led basket fund, the NPTF was also an effective means of coordinating donor efforts. Besides being responsible for alignment and harmonisation, this fund is also an important forum for continuous policy dialogue and joint decision-making among donors and national actors.

The above domestic mechanisms thus represent a valuable starting point for effective donor coordination. Moreover, the experience of the four junctures shows that strong domestic actors or joint funding mechanisms under domestic leadership can be instrumental in rallying donors behind a prioritised agenda.

With regard to the constitution-building activities in the CA, there was no strong domestic lead agency with the will and ability to effectively coordinate external support. However, the OECD's recommendation to designate a foreign lead agency in such cases was not pursued. The resultant poor coordination meant that donors reduced their chances of contributing positively to the consolidation of peace and democracy in this crucial area of Nepal's post-conflict process.

The possibility of using a mix of instruments is another argument for an effective division of labour among donors. It is not only about supporting the same goal with the same measures, but also about supporting it at different levels of intervention and with strategies

for consistent support. A mix ranging from high-level facilitation through capacity-building and institution-building for peace and democracy, to conflict-sensitive "conventional" development aid may be important for effective interlinked support. Donors successfully combined several of these instruments at three critical junctures, namely the CA elections, the dissolution of the PLA and in relation to the CA. In these cases, donors played multiple roles depending on their comparative advantages in the different modes of intervention and accessibility to actors. However, this use of different instruments also poses a greater challenge to donors because it always has to be backed by strong coordinating mechanisms.

A number of conclusions may be drawn from the above observations. First of all, there is strong evidence that donor coordination was crucial for donor impact on peace and democracy in Nepal. At those two junctures where coordination functioned well, we identified significant donor contributions to the positive outcome of the processes. The other two cases show the negative implications of poor coordination: duplications and contradictions resulted in missed opportunities and poor donor reputation. Second, Nepal established several effective tools for guiding donor support that were conducive to the Nepalese peace and democratisation process. Third, it is not only a question of how donors design their programmes with regard to other international actors active in the same field. More decisively, shared goal orientation and prioritisation turned out to be a crucial precondition for effective donor coordination. As a consequence, donors should learn from these positive experiences and help domestic institutions to take the lead in donor coordination. Most importantly, they should agree on one common primary goal for their interventions.

## 5.3    The importance of India and China

Our third hypothesis stated that *the failure to account for India's influence made international support for peace and democracy in Nepal less effective*. And indeed, at two out of four junctures, Nepal's neighbourhood seems to have played an important role, due to the close linkages between the countries. Interestingly, as will be shown below, China seems to have played just as an important role as India.

Unfortunately, it proved difficult to find hard evidence for either India's or China's influence – the information given was usually based on hearsay. Since it cannot be proven that concrete action by India or China directly influenced the outcomes of the critical junctures, we cannot test the hypothesis that donors overlooked their importance. Despite these difficulties, two conclusions may be drawn from the analysis. First, it is not always clear, even to decision-makers, what India and China exactly want. Second, China's and India's positions affect political decisions in Nepal.

Nobody disputes the importance of Nepal's neighbourhood for its political trajectory. However, most of the information gathered on this point consists of vague personal opinions or rumours, some of which even contradict each other. What is more, some commentators ascribe the regional powers a decisive role at the different junctures, while others claim that they exerted no real influence whatsoever. How hard it is even to identify what India and China wanted is already an interesting fact in itself. Several interviewees stressed that information is often diffuse: in other words, neither country is represented by

a single spokesperson who publicly advocates a clear-cut position (Interview 90). Instead, different actors and institutions (e.g. the ambassador, the media and political parties) may take different positions, some of which are communicated only to a small number of individuals in private settings. Finding out who wants what in India and China is no easy task. This shows that, if donors want to be aware of and consciously deal with their interests, appropriate channels of communication need to be built up and maintained at different levels.

It is hard to trace China's and India's position in relation to two critical junctures: the institutionalisation of peace and democracy at the local level, and the CA elections. There is no proof of Chinese or Indian influence on the local peace and democratisation process. With regard to the 2008 elections, some interviewees claimed that India's main interest was to promote the representation of the Madhesi (e.g. Interview 54). There is also a belief that India was in favour of early elections, which meant holding elections before the issue of the disbanding of the PLA had been solved (Interview 89). In the event, the Madhesi were well represented and elections were held at a relatively early stage, although it is not clear if this was indeed what India was pushing for.

China and India played a more prominent role in the dissolution of the PLA. Initially, India did not support the integration of the Maoists combatants into the Nepalese Army. Many claim that this was due to the close ties between the NA and Indian Army, which feared too strong a Maoist influence and a politicisation of the NA (Interview 22). In the famous Katwal episode, India used its influence to restrain Prime Minister Prachanda from removing the army chief from office, leading to his resignation. After 2011, India's position became more flexible. Some argue that this was because of Bhattarai's good relations with India, others that it sprung from India's need to demonstrate internationally that it could handle its neighbourhood (Interview 90).[66] Following this change of strategy, India even became involved in facilitating dialogues between the NA and the Maoists, and no longer completely blocked the integration of the Maoists (Interviews 18, 19). China also seems to have played a decisive role at this later stage. China supplied money to the government of Nepal, and this was allegedly used to support the voluntary retirements the international community had refused to finance.

China and India also played an important role in relation to the Constituent Assembly, as they held *relatively* clear, yet diverging standpoints on federalism.

Overall, many interviewees see India as being pro-federal, but insisting on one province in the Terai, Nepal's southern border, *"to create a buffer within a buffer, which China resented"* (Interview 99). China opposes the establishment of many provinces along the shared northern border and is generally perceived as being anti-federal (Interviews 101, 112). Interestingly, several interviewees claim that the CA actually *failed* due to the conflicting interests of India and China (Interviews 88, 24). While this claim is hard to prove and may be exaggerated, it is clear that the solution that was being discussed in the final days of the CA, i.e. Nepal becoming federal (contrary to China's interest) and the Terai region being split into several provinces (contrary to India's interest), was not

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66  A third explanation is the change in ambassadors. One interviewee claimed that 'the current ambassador is more receptive to the Maoists, more amenable to the idea that there should be federalism, whereas all the previous ambassador could see was Maoist state capture' (Interview 167).

popular with the country's two powerful neighbours. Conversely, the latters' far-reaching influence suggests that, had both neighbours given consistent support, this might have had a big impact. What is more, this lack of support not only adversely affected the operation of the last CA, it also continues to compromise a future CA. *"People here think that Nepal [...] will not have a constitution unless the concerns of India and China are addressed"* (Interview 94).

Two important conclusions can be drawn when comparing China's and India's role across the different junctures. Both the dissolution of the PLA and the failure of the CA show that China's and India's positions affect political decisions taken in Nepal. Furthermore, at those critical junctures where the neighbourhood did play a role, it is interesting to see that it was not only India, but also China that mattered – in relation to the PLA by funding the retirement schemes, and with regard to the CA by opposing several federal units close to its border. Our research in Germany had suggested that China's influence was not as strong as India's. This seems not to be the case, a fact not only backed by the evidence in the junctures, but also specifically mentioned by several interviewees (e.g. Interview 99). Overall, as an INGO representative put it, *"the international community does not consist only of the EU and America [...]. The international community in Nepal is China and India. That's the most important international community"* (Interview 17).

Interestingly, some donors do try to somehow incorporate the neighbourhood into their programmes in Nepal. The NTTP facilitators regularly go to India, and projects by UNDP, SDC and JICA involve Indian experts or trips to India. China and India are invited to take part in coordination mechanisms. At a higher political level, Switzerland and Norway reported meetings with the Indian Embassy (Interviews 89, 93, 99). Some donors seem aware of the issue of the neighbourhood, but appear to be struggling to find the right way to deal with it. For example, a representative from a multilateral agency working on constitution building noted: *"I have often heard this thing: federalism based on identity will never happen because China does not want it because of Tibet and India doesn't want it because of the Northeast. And then you just don't know how much weight you should give a statement like that"* (Interview 112).

However, these are rare exceptions. More often, donors simply bemoan that China and India do not take part in coordination or joint financing mechanisms (Interviews 91, 98, 128). Others seem blind to the importance of this issue. By contrast, the above evidence clearly shows that incorporating India and China could significantly increase donors' leverage. This is not to say that this would be easy to achieve. As explained at the beginning of this section, the problem begins with not knowing what the big neighbours actually want. Intensifying the appropriate channels of communication and gradually incorporating their positions should be worth every effort.

## 5.4    Walking a tightrope: domestic v. international preferences

One final issue stood out when we looked at donor engagement in the critical junctures. This is a donors' dilemma that is not reflected in our main hypotheses, i.e. whether donors should adhere to their own domestic interests or maintain their convictions. Since its formulation in the Paris Agenda in 2005, the international community has sought to abide by the principle of ownership, which states that *"partner countries [should] exercise*

*effective leadership over their development policies, and strategies”* (High-Level Forum 2005). The importance of ownership in fragile states was specifically emphasised in the “New Deal for engagement in fragile states” (International Dialogue on Peacebuilding and Statebuilding 2011). Its significance derives from the experience that stronger ownership enhances the sovereignty of the partners and increases aid effectiveness. Moreover, the principle addresses the highly unequal power relations in development partnerships.

However, supporting peace and democratisation in post-conflict settings inevitably entails becoming involved with highly political issues, in which the question of the best development policy is not easily answered. The international community has to walk a tightrope between respect for domestic ownership and the adoption of clear positions – for the sake of normative principles such as human rights, international obligations, or out of deep-seated convictions about what serves the country best. In numerous instances, donors were accused of intervening in Nepali domestic politics, when the international position did not reflect the preferences of domestic decision-makers.

While the principle of ownership has rightly received considerable attention in the international development discourse, its exact meaning and scope are often difficult to define in the highly contested arena of post-conflict societies. In fact, post-conflict settlements often function to the exclusion of substantial segments of society. Negotiated settlements concluding civil wars usually only represent the signatories to the peace agreement, and thus tend to be very restrictive. The danger that the ruling coalition represents only narrow elite interests is even greater in countries like Nepal, where social groups such as Dalits or Janajati have been excluded from the political process for decades. In such an environment, it is very difficult to define and adhere to the principle of domestic ownership.

The critical junctures analysed in this report illustrate the diverse facets of the challenge the issue of ownership poses to external involvement. They encompass various examples of how international interests have conflicted with domestic preferences, with mixed implications. The findings reveal two challenges donors may have to tackle in a post-conflict situation:

1. the interests of the donor community may diverge from those of domestic decision-makers;

2. the principle of ownership itself needs to be scrutinised in this context, where the ruling elite does not necessarily represent the interest of the population at large.

The challenge of balancing opposing preferences and convictions is well illustrated by the dissolution of the PLA and the controversy surrounding a TRC in Nepal. In the first case, donors did not want to finance cash payments to former rebels, as international experience cautioned against the many risks entailed by such a step.[67] This position was in stark contrast to the domestic preference of sealing a final deal by making cash payments to PLA members.

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67  In fact, donors collectively rejected plans to fund the cash payment schemes through the NPTF. It was the first and only time that donors directly opposed the government’s wish in this body.

Similarly, dealing with the past provoked serious controversy (Interview 141). The donor community recommended the formation of a strong, independent Truth and Reconciliation Commission to adequately address the grievances of Nepal's civil war victims. However, powerful Nepalese politicians of all parties strongly opposed these efforts. They asked for a blanket amnesty and were hesitant to deal with the issue of transitional justice.

The difficulty of defining ownership in a country where narrow elite interests dominate politics is illustrated by local governance in Nepal. Key stakeholders, including a prime minister at a certain point in time, advocated the holding of local elections. Yet their demands could not be realised, since the rest of the ruling elite was not interested in these elections. Despite considerable support from different social actors and the positive contribution local elections could have made to the peace and democratisation process, not all donors saw the urgency and thus missed an opportunity to collectively engage in favour of local elections when it presented itself (see section 4.3).

The issue of the TRC also illustrates the question of to whom the principle of ownership should apply. The negotiated settlement provided the former rebels with a position of power and so far they have been relatively successful in preventing their wartime activities from coming under close scrutiny, at the expense of their – and other – wartime victims.

Several conclusions may be drawn from the challenges connected to the question of ownership presented above. First of all, donors should bear in mind that the issue of ownership in a post-conflict country ruled by a narrow elite settlement cannot be easily addressed. Donors should therefore carefully assess and scrutinise the application of ownership and avoid defining it too narrowly. Furthermore, as David Booth points out, donors should become "constructively involved" in helping developmental country ownership emerge (Booth 2011). Moreover, donors should also refrain from hiding behind the principle of ownership too easily. This attitude becomes particularly problematic when ownership is invoked only where it seems convenient. In the case of Nepal, some donors used respect for the ownership principle to justify their inactivity with regard to local elections – while at the same time engaging in constitution-building activities despite explicit domestic instructions to not do so (see section 4.4).

In practice, donors engaged in this context face a dilemma in that it is not always clear what serves a country best and whose interests are served by a given intervention. Nevertheless, they need to be aware of these difficulties and act consciously upon them. While the assumption that domestic actors know the local context better than others is always a good starting point, the common claim that donors should not interfere in political issues seems unrealistic. If interference for strategic reasons is a reality that is not going to disappear, interference for the sake of peace and democracy should not be anathema either. Foreign actors such as donors can contribute useful insights from other countries and may have good reasons for following their own convictions. Nonetheless, this does not mean that donors can simply override the principle of ownership as they see fit. Instead, they should be prepared to engage in an open debate and thus subject their considerations to public scrutiny.

## 5.5    Outlook and recommendations

While Nepal would appear to have overcome its violent past for the moment, the country's current political situation is still marked by uncertainty and unrest. Two of the four critical junctures analysed above (i.e. the CA elections and the dissolution of the PLA) were milestones, while the other two hampered peace and democratisation.

The dissolution of the CA in particular caused a major setback to the process. After nine months of deadlock and heated debates, the four major parties finally agreed in March 2013 to instruct Supreme Justice Khil Raj Regmi to form a technocrat government and lead the country to new elections. Only successful CA elections can produce a new CA to promulgate a constitution and at the same time install a new, legitimate government to rule the country and implement much-needed policy reforms. The election date has been set for November 2013, with local elections to be held half a year later. The interim government is still struggling to rally all the parties behind these elections. Only recently did it manage to convince an alliance of parties opposed to the upcoming elections to discuss their position. Above all, the radical splinter party of the Maoists (CPN-M), as well as other minor parties, deny the current government's legitimacy to hold these elections and are even threatening to obstruct them by violent means. These dynamics show that the country is still struggling on its path to peace and democracy.

The main topics addressed in our research retain high relevance for the current political process. Several lessons can be learned to guide both domestic actors and donors involved in the process.

New elections are close and, while the 2008 elections were widely praised as successful, decision-makers should be careful not to blueprint them in November 2013. As the first post-conflict elections, they were a unique event in exceptional times. The country united behind the goal of achieving peaceful and accepted results in order to move the peace process forward. This time, questions of democratic legitimacy will be much more at the forefront and cannot be sidelined to the extent they were in 2008. Yet the positive experience of 2008 should encourage national actors to invite international monitoring missions once again, while enhancing coordination between national and international monitoring efforts.

Thus far, the dissolution of the PLA has proceeded relatively successfully. However, the radical CPN-M demonstrates the sense of frustration and mobilising potential that still exist. Although the donor community warned about the risks inherent to large cash payments, donors did not take action to mitigate these risks when the Nepalese nevertheless opted for this solution. In order to ensure the sustainability of the process, donors should stay engaged with former combatants and facilitate their integration into society.

Clearly, more resilience and the involvement of the entire population in the peace and democratisation process are still needed in order to strengthen the process. This is illustrated by the way in which radical actors create agitation because they feel passed over. Locally elected representatives would be able to better address the needs and concerns of the population. In addition, they can provide a crucial link between the general population and debates and decision-making at central level. Thus, decision-makers should ensure that local elections take place regardless of whether CA elections

are actually held in November 2011. In turn, donors should make every effort to support this aim.

Before long, a new CA will once again be presented with the task of writing a constitution for Nepal. Avoiding the mistakes of the past, the new CA should nonetheless recognise and build on its predecessor's achievements. In an endeavour to render the process successful this time, all actors involved should promote discussions within formal CA structures. Moreover, donors should encourage compromise when engaging in contentious issues.

What can be learned more generally from the findings of this study on international support for peace and democracy in Nepal? Our research clearly shows that coordination, the prioritisation of peace, and the neighbourhood decisively impacted the effectiveness of donor engagement in Nepal. The issue of ownership also poses a challenge in post-conflict contexts. Based on these results, it is possible to make several general recommendations for future donor activities in relation to peace and democracy.

Our findings demonstrate that coordination makes donor support more effective, thereby increasing donors' chances of having a decisive impact on a peace and democratisation process. Donors should therefore focus their activities on one primary common goal and coordinate around this goal. This goal should be very concrete, tailored to the specific circumstances and adjusted if need be. What proved particularly fruitful in Nepal were those cases in which domestic institutions coordinated donor activities. In post-conflict contexts, one should therefore encourage and help domestic institutions to take the lead in donor coordination. This not only has the benefit of rallying donors behind one common goal, it can also help build stronger domestic institutions. When working in a post-conflict country, donors not only need to coordinate with one another, they also need to take the broader context into consideration. Neighbouring countries in particular can play a decisive role in the outbreak, duration and ending of civil wars. This is particularly true of powerful neighbours (like India and China), who are likely to play a significant role in domestic political processes anyway. In order to effectively support a country in a post-conflict process, donors should try incessantly to gain the support of important regional actors for their common goal even if they meet with little interest.

Another problem faced by donors in post-conflict situations is how to promote peace and democracy at the same time, since there are trade-offs between the two goals. Democratisation can endanger peace but, as our study shows, supporting peace only may also hamper democratisation. Overall, our research shows that, although a focus on stability may be necessary, the long-term effects on democratic institutions need to be addressed early on.

In a post-conflict context, ownership poses a particular challenge to donors. Several lessons may be drawn from the Nepalese case. First, donors should be aware that the common understanding of ownership is often limited to the ruling elite in a post-conflict country. Donor engagement may of course provoke criticism from these domestic actors if it threatens their position. However, as this study shows, donors can positively contribute to a peace and democratisation process. Thus, donors should remain engaged in the field of peace and democracy in spite of differences with domestic actors. The precondition for this, however, is to establish an environment of trust that allows *all* parties to communicate their intentions openly and revise their positions if necessary.

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# Annexes

**Annex 1:    Preliminary timeline of critical junctures**

| Date | Event |
| --- | --- |
| 15/01/2007 | Interim constitution passed |
| Spring 2007 | Madhesi uprising in Terai |
| 13/06/2007–11/12/2008 | Consensus principle gradually abolished<br>2nd amendment to interim constitution (principle of political consensus abolished). 5th amendment to interim constitution (prime minister elected by majority rather than by consensus) |
| August 2007 | Draft for Local Peace Councils adopted by unity government to further the institutionalisation of the peace process in rural areas. Implementation lags behind. |
| 10/04/2008 | CA elections |
| 28/05/2008 | 4th amendment to interim constitution passed, declaring Nepal a federal, democratic, secular republic |
| 06/12/2008 | 6th amendment to interim constitution passed, extending competences of CA to act as parliament |
| 04/05/2009 | Prachanda resigns as PM over the Katwal episode |
| 28/05/2010 | Term of Constituent Assembly extended to May 2011 |
| 10/04/2012 | PLA dissolved |
| 27/05/2012 | CA dissolved: failure to adopt new constitution |
| To date | Failure to establish Truth and Reconciliation Commission and Bill |
| To date | Failure to hold local elections |

## Annex 2:    List of interviewees

| ID | Origin | Works as/for | Date |
|---|---|---|---|
| 12 | Domestic | Government | 28.02.2013 |
| 13 | International | Bilateral agency | 01.03.2013 |
| 14 | International | Multilateral agency | 06.03.2013 |
| 15 | International | Bilateral agency | 12.03.2013 |
| 16 | International | Bilateral agency | 13.03.2013 |
| 17 | International | INGO | 13.03.2013 |
| 18 | Domestic | Politician | 14.03.2013 |
| 19 | Domestic | Academic/Think tank | 14.03.2013 |
| 20 | Domestic | Government | 14.03.2013 |
| 21 | International | Bilateral agency | 15.03.2013 |
| 22 | Domestic | Journalist | 15.03.2013 |
| 23 | Domestic | Lawyer/NGO | 17.03.2013 |
| 24 | Domestic | INGO | 18.03.2013 |
| 25 | International | Multilateral agency | 18.03.2013 |
| 26 | Domestic | Politician | 19.03.2013 |
| 27 | Domestic | Government | 19.03.2013 |
| 28 | Domestic and international | INGO | 20.03.2013 |
| 29 | International | Bilateral agency | 22.03.2013 |
| 30 | Domestic | Politician | 24.03.2013 |
| 31 | Domestic | Politician | 24.03.2013 |
| 32 | Domestic | Politician | 25.03.2013 |
| 33 | Domestic | Politician | 27.03.2013 |
| 34 | Domestic, local | Community member | 31.03.2013 |
| 35 | Domestic, local | Community member | 31.03.2013 |
| 36 | Domestic, local | Community member | 31.03.2013 |
| 37 | Domestic, local | Community member | 31.03.2013 |
| 38 | Domestic, local | PLA member | 31.03.2013 |
| 39 | Domestic, local | PLA member | 31.03.2013 |
| 40 | Domestic, local | PLA member | 31.03.2013 |
| 41 | Domestic, local | PLA member | 31.03.2013 |
| 42 | Domestic, local | PLA member | 31.03.2013 |
| 43 | International | Bilateral agency | 08.03.2013 |
| 44 | Domestic, local | LPC | 01.04.2013 |
| 45 | Domestic, local | Government | 01.04.2013 |
| 46 | Domestic, local | Politician | 02.04.2013 |
| 47 | Domestic, local | PLA member | 02.04.2013 |
| 48 | Domestic, local | PLA member | 02.04.2013 |
| 49 | Domestic, local | PLA member | 02.04.2013 |
| 50 | Domestic, local | Government | 02.04.2013 |
| 51 | Domestic | Bilateral agency | 03.04.2013 |
| 52 | Domestic | Politician/PLA member | 04.04.2013 |
| 53 | Domestic, local | Community member | 31.03.2013 |
| 54 | International | Multilateral agency | 07.03.2013 |
| 55 | Domestic | INGO | 12.03.2013 |
| 56 | International | Academic/Think tank | 12.03.2013 |
| 57 | International | Bilateral agency | 15.03.2013 |
| 58 | International | Bilateral agency | 18.03.2013 |
| 59 | Domestic | Politician | 18.03.2013 |
| 60 | Domestic | Multilateral agency | 19.03.2013 |
| 61 | International | Basket fund | 20.03.2013 |
| 62 | Domestic, local | LPC | 31.03.2013 |
| 63 | Domestic, local | Politician | 31.03.2013 |
| 64 | Domestic | Bilateral agency | 01.04.2013 |
| 65 | Domestic | Community member | 03.04.2013 |
| 67 | International | Bilateral agency | 20.03.2013 |
| 68 | International | Multilateral agency | 29.01.2013 |
| 69 | International | Multilateral agency | 29.01.2013 |
| 70 | International | Multilateral agency | 29.01.2013 |
| 71 | International | Government | 18.02.2013 |
| 72 | Domestic and international | Basket fund /Bilateral agency | 21.02.2013 |
| 73 | International | Bilateral agency | 04.03.2013 |
| 74 | International | INGO | 05.03.2013 |
| 75 | International | Bilateral agency | 08.03.2013 |
| 76 | Domestic | Government | 18.03.2013 |
| 77 | Domestic | Multilateral agency | 18.03.2013 |
| 78 | Domestic | Government | 19.03.2013 |
| 79 | International | Multilateral agency | 19.03.2013 |
| 80 | Domestic | Politician | 20.03.2013 |
| 81 | Domestic | NGO | 21.03.2013 |
| 82 | Domestic | Government | 21.03.2013 |
| 83 | Domestic | NGO | 22.03.2013 |
| 84 | Domestic | Basket fund | 29.03.2013 |
| 85 | Domestic | Government | 05.04.2013 |

| | | |
|---|---|---|
| **87** Domestic | Academic/Think Tank | 01.03.2013 |
| **88** Domestic | Lawyer | 04.03.2013 |
| **89** International | Bilateral agency | 08.03.2013 |
| **90** Domestic | Journalist | 08.03.2013 |
| **91** International | Bilateral agency | 11.03.2013 |
| **92** International | Government | 11.03.2013 |
| **93** Domestic | INGO | 12.03.2013 |
| **94** Domestic | Journalist | 13.03.2013 |
| **95** Domestic | Academic/Think tank | 13.03.2013 |
| **96** Domestic and international | Multilateral agency | 13.03.2013 |
| **97** International | Bilateral agency | 14.03.2013 |
| **98** Domestic | Bilateral agency | 15.03.2013 |
| **99** Domestic | Journalist | 15.03.2013 |
| **101** Domestic | Politician | 19.03.2013 |
| **102** Domestic | Politician | 19.03.2013 |
| **103** Domestic | NGO | 20.03.2013 |
| **104** Domestic | NGO | 20.03.2013 |
| **105** Domestic | NGO | 20.03.2013 |
| **106** Domestic | Lawyer | 21.03.2013 |
| **107** Domestic | NGO | 21.03.2013 |
| **108** Domestic | NGO | 01.04.2013 |
| **109** Domestic, local | NGO | 01.04.2013 |
| **110** Domestic | Politician | 01.04.2013 |
| **111** Domestic | Government | 02.04.2013 |
| **112** International | Multilateral agency | 02.04.2013 |
| **113** Domestic | Politician | 03.04.2013 |
| **114** Domestic | Government | 03.04.2013 |
| **115** Domestic | Politician | 03.04.2013 |
| **116** Domestic | Politician | 03.04.2013 |
| **117** Domestic | NGO | 21.03.2013 |
| **121** Domestic | Politician | 18.03.2013 |
| **127** International | Bilateral agency | 08.03.2013 |
| **128** Domestic | Bilateral agency | 14.03.2013 |
| **130** International | INGO | 18.03.2013 |
| **131** International | INGO | 22.03.2013 |
| **132** Domestic | INGO | 22.03.2013 |
| **133** Domestic | NGO | 02.04.2013 |
| **135** International | Government | 15.01.2013 |
| **136** International | INGO | 17.01.2013 |
| **137** International | Government | 24.01.2013 |
| **138** Domestic, local | NGO | 04.04.2013 |
| **139** International | Multilateral agency | 29.01.2013 |
| **140** Domestic | INGO | 27.02.2013 |
| **141** International | Bilateral agency | 28.02.2013 |
| **142** International | Government | 28.02.2013 |

| | | |
|---|---|---|
| **144** Domestic | INGO | 30.03.2013 |
| **145** Domestic, local | LPC | 31.03.2013 |
| **146** Domestic, local | NGO | 31.03.2013 |
| **147** Domestic, local | Government | 02.04.2013 |
| **148** Domestic, local | Government | 03.04.2013 |
| **149** Domestic, local | Government | 03.04.2013 |
| **150** Domestic | Government | 12.04.2013 |
| **151** International | Government | 12.04.2013 |
| **152** Domestic, local | Politician | 01.04.2013 |
| **153** Domestic, local | NGO | 01.04.2013 |
| **154** Domestic, local | NGO | 03.04.2013 |
| **155** Domestic | NGO | 03.04.2013 |
| **156** Domestic, local | LPC | 04.04.2013 |
| **158** International | Multilateral agency | 12.03.2013 |
| **159** Domestic, local | Politician | 04.04.2013 |
| **160** Domestic | Politician | 04.04.2013 |
| **161** Domestic | Politician | 04.04.2013 |
| **162** International | Multilateral agency | 06.03.2013 |
| **163** Domestic | Basket fund | 05.03.2013 |
| **164** International | Multilateral agency | 13.03.2013 |
| **165** Domestic | Academic/Think tank | 13.03.2013 |
| **167** Domestic | Journalist | 20.03.2013 |
| **168** Domestic | Journalist | 01.04.2013 |
| **169** Domestic | Bilateral agency | 04.04.2013 |
| **170** Domestic | Government | 14.03.2013 |
| **171** Domestic | Government | 15.03.2013 |
| **172** Domestic | Basket fund | 18.04.2013 |
| **173** Domestic | Politician | 02.04.2013 |
| **174** Domestic | Politician | 03.04.2013 |
| **175** International | Bilateral agency | 27.02.2013 |
| **176** International | Academic/Think tank | 13.03.2013 |
| **177** Domestic | Bilateral agency | 13.03.2013 |
| **178** Domestic | Politician | 19.03.2013 |
| **179** Domestic | Journalist | 21.03.2013 |
| **180** Domestic | INGO | 22.03.2013 |
| **181** Domestic | Journalist | 31.03.2013 |
| **182** Domestic | Community member | 04.04.2013 |
| **183** Domestic | NGO | 04.04.2013 |

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