

# Nepal's Peace Process: A Brief Overview



## Nepal Institute for Policy Studies (NIPS)

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## A brief overview of conflict

Nepal passed through a decade long (1996-2006) violent conflict as a consequence of which Nepali people suffered severe threats to their state of political, social, economic, psychological and physical well being. The year 1996 marked the beginning of the armed conflict as the Communist Party of Nepal (Maoist) [CPN (Maoist)] launched the 'People's War' against the state. The CPN (Maoist) submitted a 40-point demand to the Government of Nepal (GoN) on 4 February 1996 and had threatened if their demands were not met by 17 February, they would start armed struggle. However, the 'People's War' was declared 4 days before the actual deadline they had given to the government. As stated in their documents of the time, the aim of launching armed struggle in Nepal was to establish a 'new people's democracy' (similar to China in 1949)', under the leadership of them which was also called in their terminology as 'dictatorship of proletariat' through protracted guerrilla war by overthrowing the multi-party democratic system which was established in 1990 after the popular mass uprising. The newly established multi-party democratic governments at the time were about to institutionalize democratic system

and also address the long pending social and economic problems of the country. However, due to the intra-party and inter-party conflicts and frequent changes of the government, the successive elected governments failed to address those burning issues that led to frustration and disappointment among the common people. The inter-party squabbles, political instability and failure to address the common people's expectations in the post 1990s democracy provided fertile ground to the extreme forces like the CPN (Maoist) to assert their agendas and escalate violent activities. They were able to capitalize the prevailing pathetic political and social situation of the time and quickly expand their influence and activities throughout the country. Hence, the country entered into protracted conflict that took ten years to resolve and endured a high human and socio-economic cost.

The armed conflict caused large number of deaths, disappearances, dislocation, displacement, violence, damages of property and infrastructure along with economic down turns. The following data obtained from the Ministry of Peace and Reconstruction (MoPR) presented in the Table 1 shows the human cost of the armed conflict during the period.

**Table 1: Human cost during the armed conflict furnished by the Ministry of Peace and Reconstruction**

S.N.	Title	Number
1	Deceased persons	17,886
2	Disappeared persons	1,530
3	Displaced persons	79,571
4	Abducted persons	3,142
5	Disabled persons	8,935
6	Widows	9,000
7	Individual property damaged	17,484
8	Family of martyrs' of the People's Movement	26
9	Those injured during People's Movement	4,014
10	Orphans	620

Source: Ministry of Peace and Reconstruction 2013

As mentioned in the above table, a total of 17,886 people lost their lives during the armed conflict. However, according to INSEC, a leading human rights organization of Nepal, a total of 13,347 people died in the course of armed conflict from 1996 to 2006.<sup>2</sup> The contradiction in numbers between the government's report and INSEC further adds to the difficulty in conforming actual number of victims of the armed conflict. Another official report claims that after the signing of the Comprehensive Peace Agreement (CPA), 551 people were killed in 2007 and 541 in 2008.<sup>3</sup> The number might have increased by now. It is a tragedy of Nepal's peace process that even after the end of armed conflict and signing of the CPA, people continued to be killed. Likewise, a total of 1,530 people disappeared during the period of conflict, most of them during the state of emergency. 79,571 persons were internally displaced due to violence and terror (several forms of violence inflicted by the CPN (Maoist),

namely killings, torture, abduction, threatening, extortion etc.) and counter response from the security agencies. Both sides did not follow the norms and values of human rights and arbitrary killings and arrests were rampant. Moreover, in the entire ten years period, the CPN (Maoist) engaged in arbitrary killings, abductions, extortions and forced eviction of the common people and the members of the other political parties.

The escalation of violence and deteriorating security situation forced the closure of many industries due to the insurgent's threats. Mass migration from the worst affected areas to other parts of the country and beyond dramatically increased. One of the most visible and direct physical impact of the armed conflict is the widespread destruction of physical infrastructure as well as private and public property. The total destruction of infrastructures is summarized in the following table.

**Table 2: Destruction of infrastructure during the armed conflict**

S.N	Categories	Total destroyed
1	Schools	2,149
2	VDC offices	2,072
3	Government offices at district HQs	986
4	Government offices at local level	1,047
5	DDCs, Municipalities	130
6	Suspension bridges	101
7	Others	2,032

Source: The Kathmandu Post<sup>4</sup>

The data in Table 2 shows that 8,517 public structures were destroyed during the armed conflict. The table also shows that 2,149 school buildings were destroyed, followed by 2,072 Village Development Committee (VDC) offices. Similarly, 986 government offices at district Head Quarters (HQ) and numerous

other local level government offices were also destroyed. The loss has not only troubled the lives of people but also added an economic burden to the state. It is evident that the conflict created socio-political and economic chaos in the country.

2 See INSEC Year Book 1996-2006.

3 Rana, Bandana and Rana, Pinky Singh. *Security Council Resolution 1325: Civil Society Monitoring Report*, Federal Democratic Republic of Nepal.

4 Ghimire, Binod, "Only halfway to reconstruction target," *The Kathmandu Post*, April 30, 2013.

### 2. Agreement among political parties and the Comprehensive Peace Agreement

The Twelve-Point Agreement signed by the Seven-Party Alliance (SPA) and the CPN (Maoist), on 22 November 2005 along with the subsequent popular peaceful movement of April 2006 brought an end to the decade-long armed conflict. Ultimately centuries-old feudal monarchy ended and Nepal was transformed into a secular, federal democratic republic. The Twelve-Point Agreement created positive political environment to peaceful demonstration against the autocratic despotic regime imposed by the then King Gyanendra in February 2005 and demand for peaceful resolution of the conflict. The peaceful mass uprising that was launched by the political parties in April 2006 saw millions of people participating in the 19-days long mass protest which finally forced the king to surrender political power to the political parties on 24 April 2006 and restored people's sovereignty and reinstated the dissolved House of Representatives (HoR). The armed conflict formally ended with the signing of the CPA on 21 November 2006 with which the CPN (Maoist) agreed to renounce violence, follow the rule of law, honour universal human rights principles and democratic norms and values. Furthermore, they agreed to put their armed combatants into the 28 different cantonments and store weapons in the containers under the supervision of the United Nations Mission to Nepal (UNMIN). UNMIN conducted the task of verification of the arms and armies.

Another milestone of the peace process – the Agreement on Monitoring of the Management of Arms and Armies (AMMAA) which was signed on 8 December 2006 between the GoN and the CPN (Maoist). As per the provisions of the CPA and the AMMAA, the Maoist ex-combatants and the Nepal Army (NA) would be monitored and equal number of weapons

from both armies would be stored into the UN-monitored containers. The CPA in its article 4.4 also mentioned - 'the Interim Council of Ministers shall form a Special Committee in order to supervise, integrate and rehabilitate the Maoist combatants'.<sup>5</sup>

As per the provision 4.1.3 of the AMMAA - 'only those Maoist Army Combatants who have been properly registered at cantonments will be eligible for possible integration into the security forces fulfilling the standard norms. Any discharged personal from the cantonment will be ineligible for possible integration. The management processes of the combatants including their integration into the security forces and fixing their numbers will be determined by a Special Committee as agreed in the CPA'.<sup>6</sup>

Similarly, an agreement was reached between the Nepali Congress (NC), Communist Party of Nepal (Unified Marxist Leninist) [(CPN-UML)] and the CPN (Maoist) on 25 April 2008 with regards to those verified ex-combatants' integration into security agencies. It stated to make a provision whereby only those duly registered at the temporary cantonments mentioned in 4.1.3 of the AMMAA, signed between the GoN and the CPN (Maoist) and witnessed by UNMIN, to be deemed eligible for possible integration into the security agencies after fulfilling the standard requirements. The ex-combatants were also to be offered a choice between an economic package and various other alternatives for rehabilitation.

On 16 December 2009, the GoN and the CPN (Maoist) signed an agreement to release the disqualified combatants<sup>7</sup> from the cantonments within a month. The discharge took place from 7 January to 8 February 2010.

With the departure of UNMIN on 15 January 2011, the Unified Communist Party of Nepal

5 *The Interim Constitution of Nepal 2007*, including sixth amendment, Makalu Prakasan Griha, Kathmandu, 2007, p 86.

6 Ibid

7 As they were termed disqualified, they are hence not mentioned as ex-combatants

(Maoist) [UCPN (Maoist)]<sup>8</sup> formally handed over the cantonments and the ex-combatants to the SC for Supervision, Integration and Rehabilitation, and their arms to the GoN on 22 January 2011. Under the SC, the Secretariat was given the task to undertake these functions. However, monitoring of arms and armies was never the function of the SC. Thus the exit of UNMIN left the government with a challenging task of carrying out the monitoring of cantoned arms and armies. An agreement was signed between the GoN and the UCPN (Maoist) on 15 January 2011 according to which a monitoring committee was formed under the SC. The SC succeeded in completing its additional responsibilities as well.

Following the decision of the SC to handover the ex-combatants, their weapons and cantonments to the GoN on 10 April 2012, there came to an end of dual army in the country. Nepal's peace process formally concluded on 12 April 2013 with the dissolution of the SC formed in October 2008.<sup>9</sup>

### 3. Constitutional provisions

Not only political agreements among political parties, there are constitutional provisions in the Interim Constitution 2007 with regards to integration and rehabilitation. According to the article 146 of the Interim Constitution 2007 - 'the Council of Ministers shall form a Special Committee representing major political parties in the CA to supervise, integrate and

rehabilitate the Maoist Army Combatants, and the functions, duties and authorities of the committee shall be determined by the Council of Ministers'.<sup>10</sup> The SC was formed under the leadership of the then Prime Minister on 28 October 2008 for supervision, integration and rehabilitation of the ex-combatants according to the constitution. In addition, a Technical Committee (TC) was formed on 16 April 2009 to advise and support the SC to carry out its mandate.<sup>11</sup> As suggested by the SC, the MoPR outlined directives for the supervision, control, direction and Code of Conduct for the ex-combatants on 16 September 2010.<sup>12</sup>

Article 147 is another constitutional provision which states - "other arrangements regarding the management and monitoring of the arms and the army shall be carried out in accordance with the CPA concluded between the GoN and the CPN (Maoist) on 21 November 2006 and the AMMAA reached on 8 December 2006."<sup>13</sup> This article provisioned the management and monitoring of the arms and armies. It reiterates and institutionalizes the commitment of the political parties to the major agreements (the CPA and the AMMAA) and the aim of taking the peace process to a successful conclusion.

Apart from the aforementioned political agreements and constitutional provisions, there are a number of other agreements which have contributed to the peace process. A number of these agreements are listed in the table below:

8 The CPN (Maoist) and the Nepal Communist Party (Unity Centre) united in January 2009 and the name CPN (Maoist) was changed into the Unified Communist Party of Nepal (Maoist) [UCPN (Maoist)]. Two breakaway factions of the CPN (Maoist) kept its name CPN (Maoist), one led by Matrika Yadav and another led by Mohan Baidya (Kiran). The paper has used the term 'CPN (Maoist)' before unification and the 'UCPN (Maoist)' after the unification.

9 Koirala, Kosh R., "Special Committee dissolved after completing tasks," *Republica*, March 13, 2013.

10 'The Interim Constitution of Nepal, 2007 as amended by the first to eight amendments,' p. 232; amended on 12 July 2008 by the Interim Constitution of Nepal (Fifth Amendment) Act, 2008.

11 *Seven-Point Agreement and Challenges for its Implementation*, Nepal Institute for Policy Studies, 6, 2011, p2.

12 Ibid. Also see *Directives for Supervision, Control, Direction and Code of Conduct for Maoist Army Combatants*, 2010, MoPR.

13 See the first to eight amendments of the *Interim Constitution of Nepal, 2007*, p.232.

**Table 3: Major agreements reached among political parties so far**

S.N	Agreements	Date signed	Signatories parties/remarks
1	Twelve-Point Agreement	22 November 2005	The Seven Party Alliance (SPA) and the CPN (Maoist)
2	Restoration of Parliament through the Royal proclamation	24 April 2006	The then King Gyanendra
3	Proclamation of the House of Representatives	28 May 2006	Endorsed by the House of Representatives
4	Ceasefire Code of Conduct	26 May 2006	Krishna Prasad Sitaula on behalf of the GoN and Krishna Bahadur Mahara on behalf of the CPN (Maoist)
5	Interim Legislature- Parliament including the CPN (Maoist)	15 January 2007	The GoN, the CPN (Maoist) and political parties
6	Interim government including the CPN (Maoist)	1 April 2007	-
7	Joint Letter to the United Nations	9 August 2006	The GoN and the CPN (Maoist)
8	Comprehensive Peace Agreement (CPA)	21 November 2006	Prime Minister Girija Prasad Koirala on behalf of the GoN and CPN (Maoist) Chairman Pushpa Kamal Dahal 'Prachanda'
9	Agreement on Monitoring of the Management of Arms and Armies (AMMAA)	8 December 2006	Krishna Prasad Sitaula on behalf of the GoN and Krishna Bahadur Mahara on behalf of the CPN (Maoist), and witnessed by the UN Representative, Ian Martin
10	Promulgation of the Interim Constitution 2007	15 January 2007	The Interim Government
11	Arrival of UNMIN	23 January 2007	The GoN and the CPN (Maoist)
12	Start of the verification process of the ex-combatants	15 June 2007	UNMIN carried out the verification process
13	Completion of the verification process of the ex-combatants	27 December 2007	UNMIN completed the verification process
14	Constituent Assembly elections	10 April 2008	-
15	Formation of the Special Committee (SC)	28 October 2008	The GoN
16	Formation of the Technical Committee (TC)	16 April 2009	The GoN
17	Agreement to discharge disqualified combatants	16 December 2009	The GoN and the UCPN (Maoist)
18	Start of the discharge process	7 January 2010	The MoPR carried out the discharge process
19	Completion of the discharge process	8 February 2010	Completion of the discharge process
20	The UCPN (Maoist) formally handed over the cantonments and the ex-combatants to the SC for Supervision, Integration and rehabilitation	22 January 2011	The GoN and the UCPN (Maoist)
21	Seven-Point Agreement	1 November 2011	UCPN (Maoist) Chairman Pushpa Kamal Dahal, (Prachanda), NC President Sushil Koirala, CPN-UML Chairman Jhala Nath Khanal and on behalf of Joint Madhesi Democratic Front, Bijaya Kumar Gachhadar
22	Categorization of the combatants	From 16 November to 2 December 2011	The (SC) and its Secretariat
23	Voluntary retirement (1st installment) Voluntary retirement (2nd installment)	From 1 to 14 January 2012 From 31 October to 10 November 2012	The (SC) and its Secretariat
24	Integration process into the Nepal Army	5 July to 20 November 2012	The Nepal Army
25	The SC dissolved following the completion of the integration and rehabilitation process	12 April 2013	The GoN

**Source:** Government documents compiled by NIPS

### 4. Role of international community

The international community has played a significant role time and again for the institutionalization of the achievements of the People's Movement, conclusion of the integration and rehabilitation of the ex-combatants along the peace process. The international community like India, China, Switzerland, Denmark, European Union (EU), Finland, Germany, Norway and the United Kingdom have played important and meaningful role in promoting peace and expediting the peace process. They have also engaged with civil society firmly standing against violation of human rights.

The groundwork for peace process was done both in Nepal and in India which contributed to signing of the Twelve-Point Agreement between the SPA and the CPN (Maoist). India's positive role contributed to create environment conducive for the SPA and the CPN (Maoist) to reach Twelve-Point Agreement. Similarly, Norway, Switzerland and other western countries urged both the king and the CPN (Maoist) to resolve the violent conflict through peaceful dialogue process and establish democracy and peace in the country.

A joint government-donor initiative, the Nepal Peace Trust Fund (NPTF) was constituted under the MoPR in February 2007. It is a mechanism for interested donor agencies and governments to contribute to the peace process by providing financial support. NPTF received significant amount of money from both the GoN and donors like Germany, Denmark, Finland, the UK, Norway, Switzerland and the European Union. By the end of November 2011, the donor countries disbursed NPR 3.2

billion whereas the GoN contributed NPR 5.04 billion. The first phase of NPTF was completed in 2010 but as the peace process was not concluded, a second Joint Financing Arrangement (JFA) was signed in 2010, which was to last till the end of 2013.<sup>14</sup>

Apart from the financial assistance, the international community has also provided technical and logistic support to the ex-combatants and also for the cantonment management. The UN Interagency Rehabilitation Programme (UNIRP) and other vocational training programmes were also launched inside the cantonments with the financial assistance of the international community.

According to a project report by GIZ, the German Federal Ministry for Economic Cooperation and Development (BMZ), implemented a project through MoPR to improve the living conditions of the ex-combatants in the cantonments. A functioning drinking water supply in all 28 cantonments and 228 sanitary facilities were built. Since 2007, more than a quarter of the 19,602 ex-combatants took advantage of medical check-ups and 45 of those wounded during the conflict received specialist medical treatment. Around 1,500 ex-combatants were trained and they even worked as health assistants in the 29 health facilities while in the cantonments. Over 10,000 ex-combatants have received training on healthcare, water supply, administration and accounting.<sup>15</sup>

Upon the request of the GoN and the CPN (Maoist), UNMIN entered Nepal as a special mission to support the peace process and to create a free and fair atmosphere for the election

14 Based on the 'Peace Accords Matrix' published by Kroc Institute for International Peace Studies, University of Notre Dame. Retrieved on 7 March 2013. from <[https://peaceaccords.nd.edu/matrix/status/67/donor\\_support](https://peaceaccords.nd.edu/matrix/status/67/donor_support)>.

15 'Supporting Measures to Strengthen the Peace Process' <http://www.giz.de/themen/en/23441.htm>

of the CA.<sup>16</sup> During the CA election, UMMIN played an important role of monitoring. It also carried out verification of the ex-combatants. Out of 32,250 ex-combatants cantoned in the cantonments, 19,602 were verified by UNMIN and recommended them for integration, rehabilitation or voluntary retirement. UNMIN coordinated the discharge process of 4,008 Verified Minors and Late Recruits (VMLRs). The UN also established five regional offices where discharged VMLRs were offered one of four rehabilitation choices: (i) vocational skills training from a menu of 35 options; (ii) training and start-up capital for a micro-enterprise; (iii) education (i.e., returning to school); and (iv) health-sector training.<sup>17</sup>

At the request of the GoN, the Security Council unanimously extended the tenure of UNMIN for seven consecutive terms and finally it was flagged-down from Nepal on 15 January 2011.<sup>18</sup> However, UNMIN's presence and its activities were not out of controversy. It was blamed by the NC and the CPN-UML of favouring UCPN (Maoist) during the verification process as well as ignoring the atrocities and misappropriation of state funds by the CPN (Maoist).<sup>19</sup>

Ensuring sustainable peace by concluding peace process backed by the international community, which provided enough strength

to the peace process to keep alive and reach its final goal. The international community has continuously expressed its concern on the slow pace of peace process and drafting of new constitution, which put on psychological pressure on the government and the political parties. The continuous policy feedback from international experts, technical and expertise support provided by the international community has to some extent, helped the domestic political actors to take the peace process towards a logical conclusion along with holding of the CA election and drafting and promulgating a new constitution.

### 5. Discharge of the disqualified combatants

Under the AMMAA between the GoN, and the CPN (Maoist), it was agreed that the disqualified combatants should be immediately discharged from the cantonments. However, the process only began after two years of the verification. On 16 December 2009, an Action Plan was signed between the GoN, the UN and the UCPN (Maoist) to release disqualified combatants (minors and late recruits) from the cantonments.<sup>20</sup> Subsequently, an operational plan detailing modality of the discharge process was drafted and agreed between the UN and the UCPN (Maoist) on

16 *Collection of Understandings, Agreements and CPA*, GoN, MoPR, Singha Durbar, Kathmandu, 2007, p. 45. Two identical letters were sent to the UN on 9 August 2006, one from the GoN and another from the CPN (Maoist). Both letters requested the UN to deploy qualified civilian personnel to monitor the confinement of Maoist Army Combatants and their weapons within designated cantonments, and to monitor the NA to ensure that they remained in the barracks and that their weapons were not used against any side. It also sought to continue human rights monitoring through the Office of the High Commissioner for Human Rights in Nepal (OHCHR), monitor the Code of Conduct (CoC) during the truce, and provide election observers for the CA elections.

17 Piper, Robert, "Putting the record straight," *The Kathmandu Post*, February 12, 2012.

18 Documentation of Nepal Institute for Policy Studies

19 Singh, Prakash Man, "Maoist misused funds," <http://www.spotlightnepal.com/News/Article/-%E2%80%98Maoists-Misused-State-Funds%E2%80%99->

20 Chapagain, Kiran, "Discharge of the disqualified to begin December 27," *Republica*, December 16, 2009.

26 December 2009. The discharge process was scheduled to be carried out within 40-days. A total of 4,008 disqualified combatants were being housed in 28 cantonments for three years: these included minors (born after 25 May 1988) and late recruits (who joined after the ceasefire agreement of 25 May 2006). The number of minors stood at 2,973 (males:1,988 and females: 985); while the late recruits added up to 1,035 (males: 804 and females: 231) — 30 percent females in all. By the time of overall farewell ceremony on 8 February 2010, there were not more than 400 (10 percent of the disqualified) combatants under age of 18. The disqualified combatants initially refused to accept those packages offered by the MoPR<sup>21</sup> terming it “disrespectful” to their contribution. However, reports mention that as of March 2010, over 750 (nearly one-third of those who attended the farewell ceremony) of the discharged had contacted the UN office for resumption of education, training and micro-enterprises as incorporated in the package. Likewise as of February 2012, more than 2,149 disqualified combatants accepted in one of four different rehabilitation packages provided by the UN.<sup>22</sup> A total of 1,614 (40 percent) of 4,008 disqualified combatants did not attend farewell ceremony.<sup>23</sup> However, no follow ups on the situation of the disqualified combatants have been made officially by the GoN.

The discharge process faced a widespread controversy as the disqualified combatants voiced their disagreement arguing that their time and contribution as combatants had been undermined by UNMIN and that they were treated disgracefully. They claimed that they were voluntarily or forcibly made to fight when they were as young as 12-13 years old

and they had to carry weapons to fight, leaving their family, study, peers and childhood. They lost their adulthood in the armed conflict and now tagged as disqualified combatants; they will be dumped off towards uncertain future. Many discharged combatants therefore faced the possibility of social stigma as well the economic problems from being discharged.

### 6. The Seven-Point Agreement on integration and rehabilitation

Despite the delays, confusions and contradictions among major stakeholders on integration and rehabilitation, ultimately, the major political parties took a historic decision on 1 November 2012 and signed a Seven-Point Agreement on integration and rehabilitation of the ex-combatants. The Seven-Point Agreement – a national consensus document – addressed and settled all contentious issues like numbers to be integrated into the NA, norms and modality of integration and rehabilitation, and rank determination of the combatants including the minimum and maximum ceiling of the cash amount for voluntary retirement package etc. In fact, the Seven-Point Agreement is a historic document that paved the way for completion of managing the ex-combatants which is one of the major tasks of the peace process. The major political parties who represented the SC showed flexibility by putting aside their previous positions and finally made an agreement. Therefore, the major political parties have made positive contribution in making the peace process a success. The Seven-Point Agreement was drafted in line with the Interim Constitution 2007, the CPA, the AMMAA and subsequent other agreements following fundamental principles of international practices. The agreement was the outcome of the perpetual

21 Upreti, Niranjana, “Good as it gets,” *The Kathmandu Post*, April 4, 2010.

22 [www.irinnews.org](http://www.irinnews.org)

23 Upreti, Niranjana, op. cit.

dialogues and negotiation processes among the political parties, SC members, its Secretariat who envisioned and drafted the contents of the agreement and completed the process.<sup>24</sup>

The Agreement has envisioned and addressed the unique situation of our own on integration

and rehabilitation process. The agreement reflects the political, social, economic, security and military context of Nepal. Based on the modality of integration and rehabilitation of ex-combatants agreed on the Seven-Point Agreement, the peace process finally found a pedestal to move towards a logical conclusion.

**Table 4: Facts and figures regarding the ex-combatants' registration, verification and categorization**

Registration and verification process	Total	Male	Female
Total number of registered ex-combatants	32,250		
Total number of ex-combatants verified by UNMIN	19,602	15,756 (80.37%)	3,846 (19.63%)
Total number of weapons registered and stored in the containers	3,475		
Absentees, automatically considered as disqualified combatants, during the verification process	8,640		
<b>Disqualified combatants</b>			
Under the age of 18 as of 25 May 2006 (considered minors)	2,973	1,987 (66.85%)	986 (33.16%)
Late recruits	1,035	804 (77.07%)	231 (22.31%)
Total disqualified (minors + late recruits)	4,008		
<b>Outcome of the Categorization process</b>			
Number of ex-combatants absent in the categorization process	2,456		
Total number of ex-combatants present in the categorization process	17,052	13,494 (79.13%)	3,558 (20.87%)
Dead, suspended and deserters	94		
Total number of ex-combatants selected for integration	1,422	1,318 (92.69%)	104 (7.31%)
Total number of ex-combatants opting for voluntary retirement	15,624	12,170 (77.89%)	3,454 (22.11%)
Total number of ex-combatants opting for rehabilitation	6	6	0

**Source:** Facts and figures received from the SC, compiled by NIPS

As Table 4 illustrates, a total of 1,422 of 17,052 (13,494 males and 3,558 females) ex-combatants were selected for integration while 15,624 opted for voluntary retirement of which 3,454 (22.11%) were female. Only

six male combatants chose for rehabilitation. According to the Seven-Point Agreement, maximum of 6,500 ex-combatants could be integrated into the NA but the final number for integration was only 1,422. Among them,

24 *Seven-Point Agreement and Challenges for its Implementation*, Nepal Institute for Policy Studies, 6, 2011.

1,352 ex-combatants were for non-officer ranks and have already passed out on 4 July 2013. The remaining 70 formally completed training and entered the NA as officers on 26 August 2013. There are four officers and 100 non-officers female integrated into the NA. As per the decision of the SC, among them one will be given the rank of colonel, while two will be given the rank of lieutenant colonels. While 13 will be majors, 30 will become captains and 24 lieutenants.

### 7. Salient features of integration and rehabilitation

Every conflict and peace process is unique in the given political, social, economic and military context of respective countries. Nepal's peace process is also unique in many respects. The Seven-Point Agreement is the guiding document that paved way for completion of the integration and rehabilitation process. According to the contents of the Seven-Point Agreement, there are some significant features of the model that Nepal adopted which embraces the unique principles and precedence for integration and rehabilitation.<sup>25</sup>

First, Nepal's peace process is basically a domestic actors-led process. However, the support and cooperation received from the international community and to some extent their involvement cannot be ignored. It was the political parties who initiated, led and concluded the entire process. The government and political parties sought solidarity and support in technical issues as per the requirements (i.e. demobilize the ex-combatants in the cantonments, registration and verification of the ex-combatants and arms, monitoring of the arms of the containers and cantonments, etc.) from the international community. But the political parties themselves envisaged the

contents of the peace process and concluded processes according to the agreement. It is a great success of the government and political parties to have been able to complete the process by themselves.<sup>26</sup>

Second, the SPA and the CPN (Maoist) decided to fight jointly against the king's despotic regime and establish democracy by signing the Twelve-Point Agreement. They succeeded in forcing the king to surrender power in 2006 and ultimately establishing Nepal as a democratic and republic nation in 2008. It proved that an armed party which waged an armed struggle and un-armed civilian parties could fight together for peace and democracy, and can achieve success. Furthermore, Nepal's armed conflict came to an end through prolonged negotiation. The then armed rebellion party gave up the decade-long armed struggle by renouncing violence and embracing the fundamental tenets of peaceful democratic process through the CPA. The CPN (Maoist) not only joined the political mainstream, but also transformed itself into a civilian party by dissolving its army and handing over arms to the government. The message is: a violent conflict can be resolved through sustained negotiation.

Third, despite divergent views and to some extent, disagreement on various contentious issues and processes, major political parties did not close the door of dialogue. Because of the continued and perpetual dialogue process, they could work out their differences and come to an agreement. Therefore, if it was not for these dialogue processes and agreements, it is unlikely that the process would have completed as it did. Political parties followed the principle of 'consensus through dialogue' which is a positive and also a unique lesson

25 Wagle, Geja Sharma, "Nepali model of integration," *Kantipur*, October 8, 2010.

26 Ibid

from the Nepal's peace process.

Fourth, although, Nepal learnt many lessons from other countries' practices on peace process including integration and rehabilitation, Nepal did not copy any of the models. Instead, Nepal developed a mechanism according to the Interim Constitution 2007, the CPA, the AMMAA and subsequent political agreements among the political parties. Nepal did not follow the exact technical process of Disarmament, Demobilization and Reintegration (DDR) applied by many countries in their peace building and peace-making processes. Nepal did not even use the terms - DDR but the ex-combatants were demobilized and disarmed in 2006, instead Nepal used the term -- management of arms and armies. Nepal also did not use the term Security Sector Reform (SSR), but it has been following the principles of SSR during the peace process. In fact, Nepal has contextualized the content according to the Nepali context.<sup>27</sup>

Fifth, according to the prevalent international practice, there were two options for ex-combatants' integration into security agencies or reintegration into society. But Nepal introduced a new concept of voluntary retirement as part of the reintegration process in society. Unlike international practices, it is worth noting that out of the 19,602 ex-combatants, 15,624 chose voluntary retirement rather than integration or rehabilitation. Likewise, 1,422 ex-combatants had been selected for integration into the NA. Only six ex-combatants have chosen rehabilitation. In fact, Nepal's integration and rehabilitation process has been successful because of a generous cash package with the amount ranging from Rs 0.5 to Rs 0.8 million.

Sixth, most of the post-conflict countries were supported monetarily by international community for the integration and rehabilitation process. But Nepal mobilized Nepali tax payers' money for integration and voluntary retirement process. Nepal might very well be the first-ever post-conflict developing country to complete the integration and rehabilitation process by mobilising the internal resource across the world.<sup>28</sup>

Seventh, according to the article 146 of the Interim Constitution, the GoN constituted the cross party SC comprising representatives from the major political parties (i.e. the UCPN (Maoist), the NC, the CPN-UML and the Madhesi Parties) entrusting them to complete the peace process. The SC constituted a Secretariat comprising representative from the political parties, security agencies (i.e. the NA, the Nepal Police and the Armed Police force) and a representative from the ex-combatants to execute its policy decisions. Even after the exit of UNMIN, the SC and its Secretariat took the additional and technical responsibilities of supervision, integration and rehabilitation of the combatants and also the monitoring of the arms and cantonments. It would be worth noting that in a highly politically polarized society and fractured political process, the cross party political mechanism and its secretariat not only took all the decisions based on consensus, but also completed the peace process.

Eighth, the NA played a constructive and instrumental role for integrating its former enemy against whom it had fought a bloody war. Even when political parties had contradictory opinions and adamant stands

27 Wagle, Geja S, "Political insecurity and armed conflict: A threat to human security," in *Human Security In Nepal: Concepts, Issues and Challenges*, edited by Upreti, B, Bhattarai, R and Wagle, Geja S, Nepal Institute for Policy Studies, 2013.

28 Ibid

in the given political context that resulted in widening and deepening their differences, the NA gave momentum to the process by proposing integration of the ex-combatants into a new National Security and Development Directorate under it. The political parties agreed to the proposals of the NA. Had the NA not been flexible and positive, the integration would have been more difficult and complex. Therefore, the NA played an important role in the process.

Ninth, it took more than six years to complete the peace process. But by and large, all stakeholders including the NA and the ex-combatants abide by the CPA, the AMMAA and subsequent political agreements. There were no major events of breaking the terms of ceasefire and violating the code of conducts agreed earlier. Most importantly it was a moral pressure from the Nepali people at large that prevented all the stakeholders not to violate the peace process which is an exemplary precedence. Furthermore, the vibrant civil society and the media also played a commendable role by making and shaping public opinion in favour of completion of the process from the signing of the Twelve-Point Agreement itself. They played the role of a 'watchdog' and exerted pressure on the government and political parties for the success of the process.

The Nepal Institute for Policy Studies has also been engaged with the SC and its Secretariat as an informal facilitator since 2009. It provided technical, logistical and expertise support to the SC and its Secretariat as and when needed. Above mentioned features of the Nepali Peace process make it unique and can serve as an important reference to conflict-ridden countries around the globe.

### 8. Expenditure of integration and rehabilitation process

Nepal concluded in managing the ex-combatants in an exemplary manner. However, economically, it is more expensive to a country like Nepal which is one of the poorest nations in the world with annual GDP per capita income of about \$ 717. The entire process amounted to a whopping Rs 23 billion and above which is itself a large amount of money. According to expenditure details provided by the MoPR, Rs 2.77 billion was spent for food and daily necessities, Rs 5.82 billion was spent for monthly allowances for ex-combatants including Rs 0.46 billion received by the UCPN (Maoist) leader and then minister Krishna Bahadur Mahara in April, 2007 as monthly allowances for the cantoned combatants and Rs 0.27 billion for infrastructure and 0.41 billion for physical infrastructure development. Likewise, Rs 0.273 billion is shown to have been spent under miscellaneous heads and Rs 136.82 million on administrative cost over the years.

According to details furnished by the MoPR, the Peace Fund spent Rs 0.743 billion for building roads, Rs 0.341 billion for drinking water facilities and Rs 0.411 billion for other infrastructure. The expenditure details show Rs 0.325 billion spent for health and Rs 25.33 million spent for electricity supply at the cantonments. The expenses however could have been minimized to a large extent had the peace process concluded efficiently in its estimated time of six months after completion of the CA election in April 2008. It took six and a half years for the conclusion owing to which the cost of the process escalated to more than 6 to 10 times than estimated. The total cost of the entire period has been summarized in sections that follow.

**Table 5: Total expenditure for the management of cantonments**

Fiscal Year/(Nrs. In 1000)	063/064	064/065	065/066	066/067	067/068	068/069	069/070 end of Paush	Total in rows
Garrison provision for ex-combatants	174005.28	510751.56	547544.72	564908.58	561840.25	382226.98	24337.57	2765614.94
Monthly allowance of ex-combatants	92556.00	514485.0	1855344.58	1173527.74	1169080.0	1021471.03	62209.38	5888673.73
Central and local cantonment office's administrative cost	39518.67	16836.23	13638.61	19929.22	19596.81	19172.45	8118.77	136810.76
Construction of infrastructure	263757.95		7245.06					271003.01
Expenditure by Krishna Bdr. Mahara	461067.20							461067.20
Salary for Interim task force		7649.76						7649.76
Tent delivery		1000.62						1000.62
Food delivery in Rolpa (Helicopter charge)		365.5						365.5
Transportation charge during verification process		3007.4						3007.4
Due electricity bill						54865.90	81285.58	136151.48
Cost for tent delivery from Birgunj to the respective cantonment			700					700
Payment of the demrage tent			221.68					221.68
Due payment of the mosquito-net purchased in Nawalparasi cantonment			532.62					532.62
Payment for huts establishment in Nawalparasi			724.06					724.06
Due payment of the timber cutting, processing and delivery			17116.90					17116.90
Due payment of cantonment electricity bill			26519.63					26519.63
Due payment of timber revenue and VAT			62528.75					62528.75
Maintenance of the huts destroyed by storm			3763.62					3763.62
Maintenance of cantonment huts				10700		400		11100
Maintenance of water boring in Nawalparasi						200.83		200.83
Expenditure of Telephone bill			1111.33				1740.44	2851.77
Other Costs		12023.28	112494.52	10700.00		55466.74	83026.02	273710.56
<b>Total in Columns</b>	<b>1030905.1</b>	<b>1066119.35</b>	<b>2649486.08</b>	<b>1779765.54</b>	<b>1750517.06</b>	<b>1533803.93</b>	<b>260717.76</b>	

Source: Ministry of Peace and Reconstruction 2013

## 8.1 Expenditure for management of cantonments and combatants

The management of cantonments started from the verification process of the ex-combatants. The management of cantonments began from the fiscal year 2063/64 to the Poush of 2069/70. The total cost for food of the ex-combatants during the entire period amounted to Rs 2.77 billion. Expenses made through Maoist leader Mahara in the first year amounted to approximately Rs 0.461 billion. There was a massive dissatisfaction among public on government's decision to provide Mahara with such hefty amount of money. So far Mahara has not submitted the financial details of the Rs 0.461 billion that he took from the government coffers. Total cost of allowance for combatants from 2064/65 to 2069/70 amounted to Rs 5.9 billion. Administrative cost, for the entire six and half years amounted to Rs 0.137 billion. Infrastructures were developed in the fiscal year 2063/64 and 2065/66 which amounted to Rs 0.27 billion. Cost for infrastructure construction and management does not seem in cohesion with the quality and quantity of huts, roads and other constructions. Moreover, costs for infrastructures have been overlapping in various subtopics (Refer table number 5 and table number 7).

The cost for electricity bills have been paid by cantonment management office as well as through peace fund and the cumulative amount is well above average by Nepali standard. For the five years the bills for electricity have not been paid and the electricity bill for the whole five years

a staggering amount of Rs 54.86 million was paid. Since the government already allocated and made timely release of budget for electricity of the cantonments, it seems negligence and lack of transparency on parts of the Maoist commanders and the administrations that the dues were not paid in time to avoid fine. Similarly, for the last fiscal year 2069/70 the electricity bill for only six months amounted to Rs 81.2 million which is more than the combined bill for the last six years. Miscellaneous expenditures that occurred in the year 2064/65, 2065/66, 2066/67, 2068/69 and 2069/70 amounted to Rs 0.27 billion.

One of the serious misappropriations of funds committed by the UCPN (Maoist) was taking money under the name of absentee combatants. UNMIN verified 19,602 ex-combatants which the SC later declared after their own verification to be not more than 17,052 out of which 94 were verified as dead or suspenders or deserters. This indicates 2,456 missing in total but the UCPN (Maoist) were actually taking benefits and packages from the government for all 19,602 ex-combatants till the end of 2011. The financial inaccuracy because of this thus amounts to more than Rs 4 billion in total for the period of six and half years.<sup>29</sup> This inaccuracy is one of the biggest aberrations in the total cost expended in the entire peace process.

**Table 6: Special Committee Secretariat Fiscal Year 067/068 to 069/070 (Chaitra 20)**

F.Y.	Particulars	Expenditure
067/068	Expenditure of the 28 main or sub cantonments and Chauni's supervision team establishment or administrative expenditure of the central situation center and secretariat.	4,52,59,718.01
068/069	Daily and administrative expenditure of the Secretariat of the SC for ex-combatants in categorization, integration or combatant's discharge of voluntary retirement in 28 cantonments, Chauni situation center and secretariat.	15,28,60,893.60
	First installment and transportation expenditure of the ex-combatants' voluntary retirement.	3,62,85,27,000
069/070	Daily and administrative expenditure of the Secretariat of the SC or ex-combatants discharge programme, until 2 April 2013 (20 Chaitra 2069).	1,99,08,484.56
	Fund release of the ex-combatants voluntary retirement in second instalment or all installments and transportation expenditure for not qualified combatants of integration.	4,52,70,17,000
<b>Total</b>		<b>8,37,35,73,096.17</b>

**Source:** Ministry of Peace and Reconstruction

### 8.2 Expenditure of the Special Committee and its Secretariat

A total of Rs 8.3 billion was expended through the SC over the period of 2067-2070. Most of it, a staggering amount of Rs 8.1 billion

was expended as cash incentives and travel allowance for ex-combatants opting for voluntary retirement. However, over Rs 0.22 billion was spent on administrative cost of the SC which by Nepali standard is well above average.

**Table 7: The total cost of peace process-from the NPTF (without Support of the ex-combatants) Fiscal Year 063/064 to 069/070**

S.N.	Particulars	Expenditure	Remarks
1	Road	74,31,54,000	By road division
2	Drinking water	3,41,46,000	By drinking division
3	Construction of physical infrastructure	41,10,35,000	By housing division
4	Health	33,11,50,000	By health ministry (Due payment of the cantonment by 53 lakh extra ...)
5	Electricity	2,53,30,000	By electricity authority
<b>Total</b>		<b>1,54,48,15,000</b>	

**Source:** Ministry of Peace and Reconstruction 2013

A total of Rs 1.5 billion was spent from the NPTF most of which i.e. Rs 0.74 billion went for construction of roads. There is unavailability of data as to the quality and locations of these roads. An additional Rs 0.41 billion has been used from the NPTF in the name of infrastructure on top of Rs 0.27 billion already

used by Cantonment Management Office (refer table number 5 and table number 7). Similarly, Rs 0.25 billion has been used to pay electricity bills by the NPTF in addition to Rs 0.16 billion paid by Cantonment Management Office making the cost for electricity bill alone a whopping Rs 0.41 billion.

### 8.3 Expenditure of voluntary retirement

15,624 ex-combatants opted for voluntary retirement, and they were sent back into society with cash incentives. Cash packages ranging from Rs 0.5 to 0.8 million (\$5,711 to \$9,138), depending on their rank and date of commissioning was given to them in two installments. In addition, combatants also got travel expenses of Rs 2 thousand per head for those residing in Tarai, Rs 5 thousand for

those in hilly region and Rs 8 thousand for those from the mountainous districts. The total expenditure for first installment including travel allowance amounted to Rs 3.62 billion while the expenditure for second installment for voluntary retirement and expenditure for those not qualified for integration amounted to Rs 4.52 billion. The MoPR has stated that travel expenses, alone cost around Rs 37 million. The total cost for voluntary retirement including travel expenses amounts to a grand total of Rs 8.1 billion.

**Table 8: Total expenditure**

S.N.	Office	Expenditure
1	By Cantonment Management Office	9,79,68,80,297.41
2	By NPTF (without Support of ex-combatants)	1,54,48,15,000
3	By the Secretariat of the SC	8,37,35,73,096.17
<b>Total</b>		<b>19,71,52,68,393.58</b>

**Source:** Ministry of Peace and Reconstruction 2013

The total expenditure by the Cantonment Management Office amounts to Rs 9.7 billion, the expenses made by NPTF amounts to Rs 1.5 billion and that made by SC amounts to Rs 8.3 billion. There seems to be many overlapping of expenses made by NPTF and those made by Cantonment Management Office precisely in terms of infrastructure development, road construction and electricity (refer to table number 5 and table number 7).

### 8.4 UNMIN

UNMIN was called upon by the GoN and the political parties to ensure neutral verification of ex-combatants, monitoring of arms and armies and supervision for free and fair CA election. UNMIN's role is undeniable in completing these tasks; however, UNMIN faced widespread criticism in the process. In addition to allegations regarding the verification process, UNMIN also disregards its financial accountability to the people of Nepal. UNMIN has not been able to publicly release its financial expenditures of the time it was operating in Nepal due to which UNMIN's financial expenditure has not been included in this paper. As a neutral international

organization, UNMIN has a responsibility of maintaining highest standard of transparency and accountability which has been left questionable owing to its rather controversial performance in the peace process of Nepal.

### 8.5 Relief fund for conflict victims

NPTF has been increasingly getting fund from its international donors since late 2006 until now. But due to the political instability as well as inefficiency of the government mechanisms, these funds have not been utilized effectively and efficiently. The victims and their families have been ignored while planning and implementing of whatever little projects that have been developed and implemented by NPTF. However, the GoN has been providing relief funds for those affected by the conflict and those affected even after the signing of the CPA. Based on the forms of incident, the GoN has so far provided relief packages to some of the victims and others are yet to receive the funds. Relief fund provided to the victims and their family by the MoPR as of the fiscal year 2069/70 has been presented below.

**Table 9: Relief fund provided to the victims and their family by the MoPR as of the Fiscal Year 2069/70<sup>30</sup>**

S.N	Title	Number	Start F/Y 2069/70 end of Ashad		Due	Total Rs.
			number	Rs. (000)		
1	Deceased persons (Rs. 100 thousand each)	17,886				1,78,86,00,000
2	Widows (Rs. 25 thousand each)	9,000				22,50,00,000
3	Disappeared persons (Rs. 100 thousand each)	1,530	1,528	1,52,800	2	15,28,00,000
4	Displaced persons	79,571	25,000	2,40,144	54,571	24,01,44,000
5	Private property damaged	17,484	9,045	3,23,740	8,439	32,37,40,000
6	Disabled persons	8,191	7,996	3,69,868	195	36,98,68,000
7	Abducted persons (Rs. 25 thousand each)	3,142	3,405	85,125	-263	8,51,25,000
8	Family of the martyrs of the People's Movement	26	26	9252.4		92,52,400
9	Injured of the People's Movement (50%+) per month	30	30	8,507.4		85,07,400
10	Disabled persons during the conflict	3,984	3,216	40,647	768	4,06,47,000
11	Disabled persons with more than 51% or over disabilities	744	736	84,377	8	8,43,77,000
12	Orphans losing both of their parents	620	522	55,350	98	5,53,50,000
13	Family of those who lost life after the signing of the CPA	110	58	8,705	52	87,05,000
<b>Total</b>						<b>3,39,21,15,800</b>

**Source:** Ministry of Peace and Reconstruction 2013

The above table illustrates GoN's latest figure on victims of armed conflict and types of relief packages. According to which, a total of 17,886 have been reported dead and their families have been given cash incentive of Rs 1,00,000.

Accordingly, 9,000 widows from general public have been given Rs 25,000 each. Of the family of a total 1,530 disappeared people, 1,528 have been given Rs 1,00,000 each bringing the grand total till date to Rs 0.15 billion and the

family of rest two are yet to be given the relief money. Of 79,571 internally displaced Nepali citizens, 25,000 people have received relief package of some form that amounts to a total of Rs 0.24 billion whereas rest of the displaced 54,571 people are yet to receive the relief fund. During the conflict, people who lost property or were left disabled, abducted, families of the martyrs, injured, orphans and also families of people who were killed in incidents after the CPA were granted relief packages of various forms. Of the total 17,484 cases reported for

damage of personal property, 9,045 cases have been provided with relief package of about Rs 0.32 billion whereas 8,439 cases are yet to be looked after. According to the report furnished by the MoPR, as of the fiscal year 2068/69, a total of 17,828 have died, 1,452 have been disappeared and 14,438 lost their property.<sup>31</sup> The ever increasing number of conflict victims makes it difficult to establish an actual number of victims of the armed conflict and also continues to economically strain the GoN.

**Table 10: Grand total of the Peace Process**

S.N.	Title	Total Cost (NPR)
1	Infrastructure	68,20,38,017
2	Food	2,76,56,14,962
3	Monthly allowance for the ex-combatants (excluding expenses made by Krishna Bdr. Mahara)	5,88,86,73,746
4	Administrative cost	13,68,10,804
5	Road	74,31,54,000
6	Water	3,41,46,000
7	Health	33,11,50,000
8	Electricity	2,53,30,000
9	Voluntary discharge	8,15,55,44,000
10	Expenditure by Krishna Bdr. Mahara	46,10,67,200
11	Total cost from the Secretariat of the SC excluding voluntary discharge	21,80,29,096
12	Total relief fund provided to the victims and their family by the MoPR as of the fiscal year 2069/70	3,39,21,15,800
13	Miscellaneous	27,37,10,567
<b>Grand Total</b>		<b>2,31,07,38,41,92</b>

Source: Ministry of Peace and Reconstruction 2013

### 9. Challenges to post integration and rehabilitation

Even though it was agreed in the CPA that the peace process would be concluded within six months, it took more than six years to complete the peace process which largely met

its objective but failed to address some major aspects. This fact, to an extent, questions the process as well as poses problems for future of those directly affected by conflict and also the country at large. From the beginning of the

31 Wagle, Geja S, "Political insecurity and armed conflict: A threat to human security," in *Human Security In Nepal: Concepts, Issues and Challenges*, edited by Upreti, B, Bhattarai, R and Wagle, Geja S, Nepal Institute for Policy Studies, 2013.

process, there seemed distinct differences and contradictions of perception of the GoN, political parties and other stakeholders on ex-combatants and the victims. Due to these differences, the victims were neglected and prevented from getting any long term relief and justice.

One of the biggest setbacks of the Nepali peace process is its failure to form the Truth and Reconciliation Commission (TRC) and the Commission on Disappeared Persons. As a result, the thousands of victims and their families are still waiting for justice, affirming the phrase-justice delayed is justice denied. The many violations of human rights from both the ex-combatants and security agencies during the conflict are left unaccounted for, fuelling fire of anger, desperation and hopelessness amongst the victims. Despite their commitments, political parties have remained reluctant to address this most painful aspect of the armed conflict. In addition, under the human rights law, state has a particular obligation to adopt specific measures to protect the rights of victims and witnesses when they consent to participate in judicial, quasi-judicial or other remedial proceedings. However, there are currently no formal state mechanisms for protection of witnesses and victims in Nepal posing a major threat to their security.

Follow up on ex-combatants who chose voluntary retirement has not been made by any of the government agencies. There is limited knowledge about them, on how and if they are being accepted back into society. In case monetary assistance they received hasn't been used properly and given their knowledge with arms and ammunition, there remains a possibility of them joining criminal groups that might pose problem on social as

well as security front. And precisely so, in the recent times there have been reports of increasing numbers of criminal activities that directly link ex-combatants to it. Some reports link ex-combatants who opted voluntary retirement involved in crimes such as murder, robbery, extortion and illegal Voice over Internet Protocol (VoIP) among others.<sup>32</sup>

Similar case can be cited for VMLRs. The VMLRs who were not satisfied with the vocational and educational programmes and schemes offered to them were left with few options to making a living. This combined with their knowledge of arms; some VMLRs have already been associated with crimes like robbery and extortion. Most importantly there have been reports of ex-combatants forming their own criminal groups. An outfit of ex-combatants calling itself the People's Liberation Army Former Soldiers' Unity Organization has been suspected of running various crime rackets in Jhapa district. The Nepal Police believe that the organization is largely comprised of disqualified combatants and is involved in crimes like extortion, abduction and robbery in the district.<sup>33</sup>

Pervasive culture of impunity, increasing politicization of crime in addition to the failure in properly rehabilitating the ex-combatants and failure to form the TRC and the Commission on Disappeared Persons has further deteriorated the security situation. Two of such high profile cases of impunity and politicization of crime are of the convicted murderer Balkrishna Dhungel, former CA Member and Agni Sapkota, spokes person of the UCPN(Maoist), who is also accused of murder. Balkrishna Dhungel owing to his association to the UCPN (Maoist) walks free in spite of Supreme Court's sentence for

32 "Ex-maoist fighters behind crimes in valley : Police", *The Himalayan Times*, July 6, 2013.

33 "Ex-combatants into crime say police," *The Kathmandu Post*, January 9, 2011.

his imprisonment. Furthermore, then Prime Minister Babu Ram Bhattarai recommended to President Dr. Ram Baran Yadav for Dhungel's amnesty. Similarly, Agni Sapkota became minister, in spite of District Court of Kavre's sentence for his imprisonment for a murder. The Cabinet meeting held on 4 December 2012 decided to withdraw different charges on Maoist cadres and leaders such as murder, abductions, loot, vandalism etc.<sup>33</sup> Such highly controversial cases have not only shaken the very foundation of justice system in the post-conflict Nepal but are also sending wrong message of lawlessness and insecurity encouraging the wrong doers.

Proper integration and rehabilitation of women and children affected during the conflict into society and programmes to secure their future has not been executed which is one of the major challenges to the post-conflict Nepal. Women and children bore most of the social, psychological and economic brunt of the conflict. Earlier, during the course of the armed conflict, the CPN (Maoist) claimed that women comprised half of its army. However, the final figures offered by UNMIN revealed, 3,846 were women, that is, 19.6 percent of the ex-combatants making it clear how this issue had been used by the armed group in order to legitimize itself. Among them, many are married now and at least half of them have children; thus, labelled not to be eligible for integration. Not only integration process but throughout all the mechanism of the peace process women's participation was negligible owing to which issues concerning women and children were not addressed during the peace process. Children, too, suffered immensely during the conflict. Hundreds of children were recruited by the

CPN (Maoist) during the conflict. A proper strategy to rehabilitate them and give them education and skills for better future seems lacking. In addition, women and children with special needs i.e. disabled, traumatized by conflict etc need special programmes to address their difficulties. The post-conflict Nepal needs to address this volatile issue in order to establish a foundation for sustained peace and prosperity.

In addition, hundreds of civilian and about 10-15 percent of ex-combatants have disabilities of some form or the other owing to the conflict. The rehabilitation and treatment for them hasn't been on the priority list of the planners at any level. Setting a course for better and secure lives for these people and their families is also pertinent challenge that the GoN must overcome in the post-conflict context.

During the armed conflict, the CPN (Maoist) cadres seized many lands and properties throughout the country. The Twelve-Point Agreement, the CPA and other agreements signed by political parties repeatedly pledged to create environment conducive for the displaced to return and that the seized land and properties would be handed back to rightful owners. However, the commitments of Twelve-Point Agreement have not been fulfilled. Due to internal displacement caused by the conflict, hundreds of people have been left without shelter and other basic necessities. Although issues relating to displacement were repeatedly raised during the peace process, those issues were left unaddressed. This has left the displaced persons feeling neglected and disheartened. Returning and reintegrating these people to their native lands and ensuring their safety is

34 "Charges against 200 Maoist Cadres and Leaders Withdrawn," <http://www.inseconline.org/index.php?type=news&lang=en&id=10971>

a major challenge in the post-conflict Nepal. On top of it, various factions of the UCPN (Maoist) including the ones led by Mohan Baidya, Matrika Yadav and ethnic groups like Limbuwan continue to illegally occupy and harvest public and private land.<sup>35</sup> These seizures are major hurdles to the sustained peace of the country as they continue to add to the displacement of hundreds of people, impunity and widespread lawlessness.

The GoN in 2007 established Post Conflict Peace and Reconstruction Project (PCPRP) and Relief and Rehabilitation Unit (RRU) to accomplish the tasks of reconstruction and relief distribution in three years. However,

progress to that end has not even met half of the target till the date, because of lack of adequate budget.

The data at the PCPRP under the MoPR shows that 8,916 public infrastructures were destroyed during the insurgency. By the end of fiscal year 2011/12 just 2,789 infrastructures—31 percent of the total—have been reconstructed. Despite a MoPR estimation that sought Rs 37 billion to complete reconstruction works, only Rs 6.5 billion has been spent in the last five years, a shortfall of around Rs 29.5 billion. Against the annual target of around 3,000 units of reconstruction in the prescribed time, hardly 300 projects were completed in 2011/12.<sup>36</sup>

**Table 11: Expenditure on reconstruction of infrastructure destroyed during the armed conflict**

S.N	Categories	Reconstructed	Expenditure (Rs 000)
1	Schools	495	685,951
2	VDC offices	736	1,545,267
3	Govt offices at district HQs	395	2,024,301
4	Govt offices at local level	325	406,779
5	DDCs, municipalities	38	285,917
6	Suspension bridges	16	14,550
7	Others	487	1,586,213

Source: The Kathmandu Post<sup>37</sup>

Most importantly, there have not been appropriate policies or programmes from the government or the donors' side that have focused on the victims of the conflict. There have been ample projects and programmes for the ex-combatants, but the real victims, to some extent, have been ignored. Based only on verification by major political parties, victim relief packages were distributed. However, majority of these verified victims

received packages and funds based on their affiliation to political parties. Real victims continue to suffer; neglected and ignored by the GoN and political parties alike. Moreover, the state of continuing transition, halt in socio-economic growth, political instability and failure in addressing widespread and general causes of conflict in the country has added to a possibility of yet another conflict.

35 <http://www.cartercenter.org/resources/pdfs/peace/democracy/nepal-land-062012-eng.pdf>

36 Ghimire, Binod, "Only halfway to reconstruction target," *The Kathmandu Post*, April 30, 2013.

37 Ibid

### 10. Conclusion

As Nepal entered a decade of armed conflict, the human as well as economic losses reached an all time high. The security of the people was most vulnerable in the history of Nepal; the effects of which could be seen in socio-cultural, economic, political and development facets. The state of continued violence and insecurity caused by armed conflict ended with the signing of the CPA and was followed by many agreements and negotiations among the government and political parties. The GoN, political parties, security agencies, international community, civil society and the media played their respective parts in Nepal's peace process which also led to successful integration, rehabilitation and voluntary retirement, and in addition, was able to set up a relief fund to release monetary support to the victims and their families.

The management of ex-combatants and handing-over of weapons to the GoN has been a significant development in Nepal's peace process. It has not only effectively ended the pervasive violence, disarmed - the CPN (Maoist) and restored peace in the country, but also successfully returned a large number of ex-combatants back into society. Despite a cumbersome prolonged process, the major parties of the country must be credited for ending the violence and managing the armed group.

Despite its many downsides, Nepal's peace process has significant positive dimensions. Its uniqueness lies in the fact that it was largely a domestic actors-led process where all the stakeholders played their parts in bringing it to a logical conclusion. Despite differences, none of the stakeholders, including the NA

and the UCPN (Maoist) strayed away from the process instead developed a culture of dialogue to resolve the differences and meet a point of agreement. Although Nepal learnt valuable lessons from international practices, the entire peace process of Nepal was built upon foundation of Nepal's unique socio-political background. Nepal, in the process also developed an option for voluntary retirement in addition to integration and rehabilitation. In fact, Nepal's peace process was concluded respecting the popular aspiration of the Nepali people to see an end to violence and begin a chapter for peace and prosperity.

Nepal's peace process indeed is unique that can serve as a lesson for other post-conflict countries but financial misappropriation is a major flaw of the process. The financial cost of the process seemed very high. According to the financial statement of the MoPR, Rs 19.7 billion were spent in the whole process excluding those expended on the relief fund. This is a big amount of money even when most expenses made by UNMIN as well as other donors like GIZ, Norway and many other countries are not included. And upon adding the amount released as relief fund for the victims so far the total amount comes to more than Rs 23 billion till date which will further increase as the distribution of relief fund is yet to be completed. Likewise, lack of transparency and misappropriation of funds could be found in many areas. Such as the costs for infrastructure construction and management does not match with the quality and quantity of constructions and also the infrastructure costs have been overlapping in various subtopics. The costs for electricity bills have been paid by both the Cantonment Management Office as well as through

NPTF and seem exceedingly high for Nepali standard. These are the only few examples and there are many more like this. The issue was raised by the ex-combatants themselves time and again inside and outside the party. The issue has also been brought up by the members of dissolved SC and decision was made for thorough investigation. However, none of the state mechanisms have taken concrete steps towards addressing such a huge mishandling of state's funds. Lack of sincerity of the concerned government agencies in this area only encourages impunity and malpractices.

Although peace process has concluded, there are many challenges threatening the longevity of peace and development. Inability of the stakeholders in forming the TRC and the Commission for Disappeared Persons, lack of financial transparency and accountability of the process, failure in being all inclusive

and sensitive to issues of women, children, dalits and other minorities, disabled and ex-combatants, inability to return the many seized lands to their rightful owners are major drawbacks of the peace process that continue to threaten overall peace and prosperity of the country. In addition, growing culture of impunity owing to politicization of crime, and formation of many armed groups around the country might pose challenges for another kind of conflict in the future. Moreover, the prolonged transition, instability and uncertainty has held hostage the overall growth of Nepal. The only way forward in overcoming these challenges is addressing them without further ado. The government and major political parties should address those challenges to ensure sustained peace, development and prosperity by drafting of a new constitution and restructuring of the state in line with democratic principles and values and popular aspirations of the Nepali people.

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